DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services

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Baltimore, MD 21244-1850

MEDICAID PROGRAM: REAL CHOICE SYSTEMS CHANGE GRANTS

Invitation to Apply for FY2006 Real Choice Systems Change (RCSC) Grants

Grant Category:

"Systems Transformation"

CFDA 93.779

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Department of Health and Human Services
Centers for Medicare & Medicaid Services

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Initial Announcement

Invitation to Apply for FY2006:
Real Choice Systems Change (RCSC) Grants

Grant Category:

"Systems Transformation"

Agency Funding Opportunity Numbers

"Systems Transformation Grants"
HHS-2006-CMS-RCSTG-0007

CFDA 93.779

April 07, 2006

Applicable Dates:

Applicants' Informational Teleconference:	To Be Determined
Voluntary Notice of Intent to Apply:	May 11, 2006
Grant Application Due Date:	June 15, 2006
Issuance of Notice of Grant Awards:	Prior to September 30, 2006
Grant Period Start Date:	September 30, 2006
Grant Period of Performance/Budget Period:	60 months

For more details and news about events relevant to this and other related grant opportunities, please periodically consult our Web site at www.grants.gov and http://www.cms.hhs.gov/NewFreedomInitiative .

This information collection requirement is subject to the Paperwork Reduction Act. The burden for this collection requirement is currently approved under OMB control number 0938-0836 entitled "Real Choice Systems Grants" with a current expiration date of January 31, 2007.

EXECUTIVE SUMMARY

Since fiscal year (FY) 2001, Congress has appropriated over $245 million for the Real Choice Systems Change (RCSC) Grants for Community Living. In implementing the RCSC program, the Centers for Medicare & Medicaid Services (CMS) has awarded over 297 grants to all 50 states, the District of Columbia (DC), and two territories totaling approximately $238 million. In FY2006, during the consolidated appropriations process, Congress appropriated an additional $25 million (with a 1% across the board rescission leaving approximately $24,750,000) to fund a new round of RCSC grants. (see H.R Conference Report 109-337[1]) With this funding, CMS will be awarding several states and non-profit agencies with small supplemental grants.

States and other eligible organizations, in partnership with their disability and aging communities, may submit proposals to design and construct systems infrastructure that will result in effective and enduring improvements in community long-term support systems. These system changes are designed to enable children and adults of any age who have a disability or long-term illness to:

- Live in the most integrated community setting appropriate to their individual support requirements and preferences;
- Exercise meaningful choices about their living environment, the providers of services they receive, the types of supports they use, and the manner by which services are provided; and
- Obtain quality services in a manner as consistent as possible with their community living preferences and priorities.

With this solicitation, CMS invites proposals for grants totaling approximately $20 million of the total FY2006 RCSC funds, to be allocated for Systems Transformation grants.

This year's offering for the Systems Transformation grants represents a continuation of the successful Systems Transformation grants offering from FY2005. A detailed description of this grant category may be found in, Section I.C. Its main characteristics can be summarized as follows:

- *Intent*: The System Transformation grants are designed to implement broader changes in states' systems infrastructure to support continued development of quality community based service options.
- *Funding*: Applicants may request up to $3 million to support development and implementation of a Systems Transformation grant.
- *Grant Types:* With the grant funds, successful applicants are required to address at least three (3) of the six (6) transformation goals CMS has designated as critical to successful systems transformation. Applicants have flexibility as to how the grant funds will be targeted within their state and across the selected transformation goals. However, the

[1] Part of the $24.75 million funding is to be used to support grant evaluation and support activities and for supplemental grants.

application must demonstrate how the selected goals are integrated and together will assist the applicant to advance towards a more coherent system of long-term care supports. These goals are*:*

1. Improved Access to Long-Term Support Services: Development of One-Stop System
2. Increased Choice and Control: Development/Enhancement of Self-Directed Service Delivery System
3. Comprehensive Quality Management System
4. Transformation of Information Technology to Support Systems Change
5. Creation of a System that More Effectively Manages the Funding for Long-term Supports that Promote Community Living Options
6. Long-Term Supports Coordinated with Affordable and Accessible Housing

- *Grant Phases*:
    1. Application: Applicants are expected to conduct a "Systems Readiness Assessment" that articulates the applicant's progress towards the six (6) goals of "successful systems transformation". This analysis should provide justification for the primary components of the Systems Transformation application: applicant selection into a level of systems transformation (advanced; mid-range; or preliminary); which component(s) of the long-term care system the applicant has elected to target with the Systems Transformation funds (i.e., statewide and/or across multiple target populations, or a particular geographic area and/or target population; etc); which of the six (6)--but no less than three (3)--systems transformation goals the applicant will elect to implement with the Systems Transformation funds; a preliminary plan for how those goals may be achieved; and a description of how the grantee will embark on the development of a strategic plan.
    2. Planning Phase*:* Successful applicants, upon notification of award, will be allocated up to ten (10) percent of the total grant award and granted up to nine (9) months to develop a vision and strategic plan for the component(s) of their long-term care system they have elected to address and the Systems Transformation goals [at least three (3)] they intend to implement. Upon grant award, CMS will provide a template and instructions for development and submittal of the strategic plan.

       Implementation Phase: Once the strategic plan has been approved by CMS, grantees will be permitted access to the remaining 90% of the grant funds and can begin the implementation phase of the Systems Transformation grant. Grantees will have up to sixty (60) months from the date of initial grant award to conduct the implementation phase of the grant. Grantees must demonstrate meaningful inclusion of key stakeholders, including consumers and advocacy groups, in both Planning and Implementation phases of the grant.

- *Technical Assistance*: Applicants will be expected to utilize grant funds from their individual awards to acquire any technical assistance and/or support. In order to accomplish the goals and objectives proposed by the applicant, grant funds can be used,

as noted, to purchase technical assistance. The funding for this type of technical assistance is part of the grantee's awarded grant budget and cannot exceed 20% of the proposed budget without CMS approval.

- *Evaluation:* The applicant is required to develop and implement a systems and impact-based evaluation. Funding for the evaluation can not exceed 15% of the total grant award. CMS will, additionally, provide the assistance of a national evaluator who will furnish guidance to the grantee regarding development of a strategic plan and the evaluation plan.

I. FUNDING OPPORTUNITY DESCRIPTION

A. Background

In 1990, Congress enacted the Americans with Disabilities Act (ADA) (Pub. L. 101-336). The ADA recognized that "society has tended to isolate and segregate individuals with disabilities, and, despite some improvements, such forms of discrimination against individuals with disabilities continue to be a serious and pervasive social problem" (42 U.S.C. §12101(a)(2)). The ADA gave legal expression to the desires and rights of Americans to lead lives as valued members of their own communities despite the presence of disability.

Fulfillment of the 1990 ADA has been the subject of further state and Federal leadership through the President's *New Freedom Initiative*. In February 2001, President George W. Bush announced this broad new initiative to "tear down the barriers to equality" and grant a "new freedom" to children and adults of all ages who have a disability or long-term illness so that they may live and prosper in their communities. For more information on CMS activities related to the President's *New Freedom Initiative*, visit http://www.cms.hhs.gov/NewFreedomInitiative.

Congress has recognized that states face formidable challenges in their efforts to fulfill their legal responsibilities under the ADA. Since fiscal year 2001 Congress appropriated funds for Real Choice Systems Change (RCSC) grants, specifically to improve community-integrated services. The RCSC grants are designed to assist states and others in building infrastructure that will result in effective and enduring improvements in long-term support systems. These system changes are designed to enable children and adults of any age, with any payer source, who have a disability or long-term illness to:

- Live in the most integrated community setting appropriate to their individual support requirements and preferences;
- Exercise meaningful choices about their living environment, the providers of services they receive, the types of supports they use, and the manner by which services are provided; and
- Obtain quality services in a manner as consistent as possible with their community living preferences and priorities.

To implement the RCSC program, as noted, CMS has awarded grants totaling approximately $245 million to fifty (50) states, the District of Columbia, and two territories With this support,

states are continuing to address issues such as personal assistance services, direct service worker shortages, transitions from institutions to the community, respite service for caregivers and family members, and better transportation options and quality assurance. CMS has also implemented an ambitious national technical assistance strategy to support states' efforts to improve community-based service systems and enhance employment supports. In addition, CMS is providing support to states by posting a repository of "Promising Practices" on its Web site at http://www.cms.hhs.gov/PromisingPractices and by supporting the dissemination of technical assistance materials at http://www.hcbs.org.

Looking forward, the recent passage of the Deficit Reduction Act (DRA) of 2005 has bolstered states in their efforts to continue to improve and expand community-based services systems. By offering state plan options for self-directed care, expanded home- and community-based services, and an expansion of Title XIX coverage for families of children with disabilities, the DRA of 2005 vastly expanded on the groundwork of the RCSC Grant Program. In addition, the DRA offers almost $2 billion in demonstration grants over the next five years including, Money Follows the Person, Family-to-Family Health Information Centers, and Community-based Alternatives to Psychiatric Residential Treatment Facilities. This significant investment parallels and expands the goals of the Real Choice Systems Change grants program and will provides a more stable funding source for the innovative, enduring changes required of the ST grants.

B. Overview of Funding Priorities

The following section fully describes the general and programmatic requirements for the funding opportunity offered directly under this year's RCSC grants. The Systems Transformation grants are intended to build upon previous grant opportunities, state-specific initiatives, and state reform visions for comprehensive system reform and other federally sponsored infrastructure-based initiatives (e.g., the HHS Office on Disability funded National Governors Association (NGA) Policy Academy Program addressing young adults with disabilities). The states efforts under the RCSC grant program have laid the groundwork for many of the important provisions recently enacted by the Deficit Reduction Act of 2005. A full description of the Systems Transformation grants is contained in Section I.

In preparing applications, applicants are strongly encouraged to review, Section V, *Application Review Information*. Complete applications must be submitted in the order detailed in Section IV, *Application and Submission Information*.

C. Requirements for the Systems Transformation Grants

Introduction

In recent years, a consensus has been building for assertive new steps to improve the capacity of the nation's long-term support system to be responsive to the needs of our citizenry. Federal, state and local governments have taken action to renew and reaffirm a commitment to improving the systems that will support people of any age or payer source, with a disability or long-term illness, who wish to live in their communities. CMS envisions a long-term support system that maximizes individuals' independence, dignity, choice, and flexibility.

A wealth of information has been promulgated regarding the experiences and challenges of individuals with disabilities, the organizations that represent them, and from our state and technical assistance providers over the last four years of the RCSC program. Evidence is emerging that identifies critical elements of systems infrastructure that facilitate enduring changes and improvements in the nation's long-term care system. We recognize that the long-term support system expands across agencies--from organizations that oversee the health delivery system to others that work on providing affordable and accessible housing and viable employment options for people with disabilities. We are interested in promoting a system that is characterized by integrated, or at minimum coordinated, systems management, rather than disjointed singular components. The purpose of the Systems Transformation Grants is to provide states with a greater level of support to implement more sweeping infrastructure changes that are critical to successful systems transformation.

The Systems Transformation grants emphasize the need to reform the long-term support human services delivery infrastructure. Such reform can help programs, agencies, and systems to achieve a greater degree of integration.

> Infrastructure is *defined* as the framework underlying how a system operates. Thus, infrastructure development **excludes the delivery of services.** Infrastructure comprises processes within structures. Processes refer to a series of procedures, steps, or protocols that lead toward a particular result. Structures are the entities that aggregate and arrange the relationships of the processes within it. For example, infrastructure processes in the health and human services field include consumer intake, assessment, care planning, and eligibility procedures. The structures that manage these processes are located within and between the pertinent agencies, such as the state Medicaid Agency, state Units on Aging, Mental Retardation and Development Disabilities Agency, and Mental Health Agency (and their respective internal departments). Achieving the desired outcomes for system transformation is dependent on the design and management of the system's infrastructure as defined here.

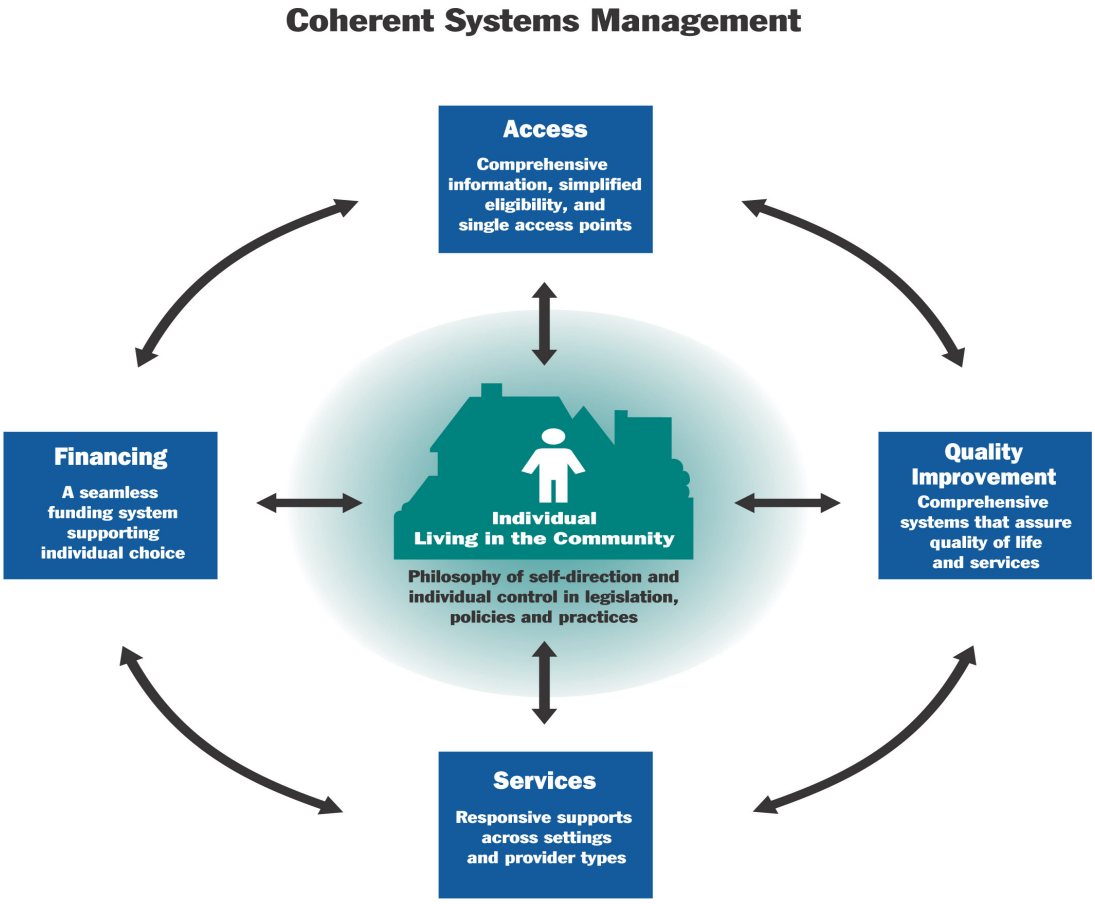
For purposes of this solicitation, we have identified 6 goals that are critical to infrastructure development and effective systems transformation. In addition, for each goal, we have identified specific objectives or interventions that should be addressed. Applicants are asked to focus on three (3) or more of the six (6) transformation goals and the respective objectives for each goal. The six goals are as follows:

1. Improved Access to Long-term Support Services;
2. Increased Choice and Control: Development/Enhancement of Self-Directed Service Delivery System;
3. Comprehensive Quality Management System;
4. Transformation of Information Technology to Support Systems Change;
5. Creation of a System that More Effectively Manages the Funding for Long-term Supports that Promote Community Living Options; and
6. Long-term Supports Coordinated with Affordable and Accessible Housing.

We believe the six transformation goals are related to a set of elements that together constitute coherent systems management. Coherent systems management maximizes participants'

independence, dignity, choice, and flexibility. It is a system that serves individuals of all ages and disabilities. All persons have the same entry point into a single long-term support system with equivalent quality management standards and assurances. The coherent systems framework is translated into a system whereby the person with disabilities' needs and preferences--rather than the prevailing service delivery and financing structure--drives the system transformation and management. It is a consumer-directed system.

The key building blocks to develop this responsive system are access, financing, services, and quality improvement. Each building block is based on tenets that foster the RCSC vision of infrastructure development and system integration. The implementation and management of each building block proceeds in a coherent fashion, whereby each is so closely coordinated or integrated that the whole becomes a unified system that appears seamless to the person being served. The result is an integrated community life for individuals with disabilities or long-term illness. The following diagram further defines the framework's tenets:



Amount of Funding Offered
CMS is offering a total of approximately $20 million in Systems Transformation grants to qualifying states based on a competitive award process. Grants will only be offered to those states eligible to apply (see below).

Who May Apply
States that received a FY 2004 Comprehensive Systems Grant (Wisconsin, Vermont), or a 2005 Systems Transformation Grant (Arkansas, Maine, New Mexico, Massachusetts, Louisiana, New Hampshire, South Carolina, Missouri, Iowa, Oregon) are not eligible to receive a System Transformation Grant in FY 2006. This grant opportunity is open to any single state Medicaid Agency, state mental health agency, state mental retardation and developmental disabilities agency, state Department of Aging or an instrumentality of the state. Specific requirements pertaining to eligible applicants in a state and the required supporting documentation can be found in, Section III., *Eligibility Information*. Failure to comply with all requirements of this solicitation will result in withdrawal of the application from competitive status.

Target Population
There is no prescribed target population for the System Transformation grants. Applicants can choose to target any one or more of the following groups of individuals who are Medicaid eligible and:

- live with chronic care needs, and/or
- live with mental illness, and/or
- live with mental retardation/intellectual disabilities and developmental disabilities, and/or
- are youth-in-transition to adult status, and/or
- are children with special health care needs and their families, and/or
- live with any of the above disabilities and whose problems are compounded by other socioeconomic and psychosocial ailments, such as homelessness and unemployment.

It is important to recognize that while the focus of the Systems Transformation grants is on individuals who are Medicaid-eligible, the infrastructure developed will support the lives of people with disabilities, regardless of income. The purpose of these grants is not to develop a health and human services delivery system for lower income individuals in a service environment where a parallel system assists individuals with private insurance and more substantial means. Rather, the definition of the target population, as presented here, is to ensure that the infrastructure developed recognizes and assists with the needs of those individuals who have no other choice but to access public sources of financing and care.

Grant Program Structure
The grant period will last up to 60 months and comprises the Planning Phase and the Implementation Phase.

Planning Phase:
The Planning Phase can continue up to nine (9) months from the notification date of the grant award. During this time, grantees will be expected to devote no more than 10% of total grant funding to developing a strategic plan (as discussed in detail below in, Section I, Part 4, *Strategic*

Plan). While the total amount of the grant award will be obligated to the grantee upon initial award, the grantee will only be permitted to access up to 10% of the total award during the planning phase of the grant, in which CMS, and its designated contractor (Abt Associates), will be actively involved. At the conclusion of the planning phase, the grantee must travel to the CMS Central Office in Baltimore, Maryland for a Planning Phase Exit Conference. Prior to and during the exit conference, grantees may be asked to respond in writing and in person to questions from CMS staff about their strategic plan. During this process, grantees must provide adequate representation of grant program leadership and key stakeholders. If a grantee believes they have a valid strategic plan for the grant program, they do not need to wait for the full nine (9) months allowed for the Planning Phase, but may submit the plan for CMS review and approval at any time within the nine (9) month period. Further award funding will only be available after CMS approves the Strategic Plan.

Implementation Phase:
The grantee may not advance to the Implementation Phase of the grant program without a Planning Phase Exit Conference and approval of their strategic plan by CMS staff. Once that exit conference has been successfully concluded and the strategic plan approved by CMS, the grantee may begin the Implementation Phase. CMS will notify the grantee of approval status no later than seven (7) calendar days after the conclusion of the planning phase exit conference. Only then will the grantee be permitted to access the remaining 90% of the grant award funding.

Technical Assistance:
In order to accomplish the goals and objectives proposed by the applicant grant funds can be used to purchase technical assistance. The funding for the technical assistance is part of the grantee's awarded grant budget and cannot exceed 20% of the proposed budget. If an applicant elects to forgo the purchase of technical assistance, the applicant must document that the grant staff themselves have the requisite skills and expertise to perform the activities of the grant as specified in the strategic plan. If the grantee believes that more than 20% of their grant funds will be needed to purchase technical assistance, then an exception must be justified by providing the rationale and supportive evidence for the extensive need for technical assistance and during the strategic planning process it will be determined by CMS if this exception is warranted (that is, post-award).

For purposes of this solicitation, technical assistance is defined as the provision of consulting services from individuals who are not part of the grant staff to complete grant goals. Thus, technical assistance contractors are not grant staff (either state employees and/or contracted staff). They are contracted consultants.

The technical assistance thus purchased can be used for the developing and/or implementing of the Systems Transformation grant. It is not to be used for the following two functions:

- *For evaluation purposes.* Because the grantee is required to obtain the services of an independent evaluator, as a requirement of grant award, the personnel tasked with providing technical assistance to grantees cannot have a role in the design and implementation of the independent evaluation. Due to conflict of interest concerns, the

technical assistance contractor cannot be the grantee's contracted evaluator or the CMS national STG evaluator.

- *To hire a project manager/director*. Only state/grant staff may be permitted to carry out this role. In addition, given the amount and complexity of the grant award, it is expected that successful applicants will identify a single individual (project director) responsible for the implementation of development and implementation periods. No less than 75% of their time most be allocated to this project.

If technical assistance is to be purchased for help in carrying out the grant activities, then the applicant must provide a preliminary technical assistance plan in the application (see Section I.C., the subsection on *Application Part 4: Strategic Plan*).

Evaluation:

The grantee will be expected to submit a comprehensive plan for an independent evaluation as part of the Strategic Plan (see Section I.C, the subsection on *Application Part 4: Strategic Plan* for more on these requirements).

CMS has acquired the services of a national contractor to conduct an evaluation of the Systems Transformation grants, as well as to provide feedback to the grantees on the development of strategic and evaluation plans.

In addition, at the discretion of the grantee, additional grant resources can be devoted to acquire the grantee's own evaluation consultant, to provide services that support grant-specific evaluation activities, to assist in the establishment of a formative learning process and documentation system, or to serve as the interface between the grantee and the CMS national evaluation contractor. The grantee and their evaluation contractor (if the grantee chooses to engage one) will be required to cooperate fully with CMS and the national evaluation contractor. Grantees may elect to use up to 15% of grant funds (in addition to the grant funds spent on a technical assistance contractor) to acquire evaluation support services.

The Structure and Content of the Application

The application narrative is composed of five parts:

- Part 1: Systems Readiness Assessment
- Part 2: Current Level of Transformation
- Part 3: Transformation Goals and Outcomes
- Part 4: Strategic Plan
- Part 5: Preliminary Budget

Application Part 1: System Readiness Assessment

Minimum Requirements

Applicants must address *all seventeen (17)* assessment issues in narrative format using the same headings and numerical sequence as laid out in this section. *If relevant information is provided in an appendix, you must specify the exact appendix location of that information.*

The purpose of this section is for the applicant to evaluate their state's readiness to support system transformation efforts. Research has shown that common factors were already present in states that have created successful support. (Reference, Eiken and Reinhard papers http://www.cms.hhs.gov/PromisingPractices/Downloads/commonfactors.pdf).

Documentation must be provided to support statements made on each of the assessment issues presented below. Failure to provide documentation will result in a less than favorable score for the applicant. Examples of documentation may include legislation, regulations, memorandums of understanding/interagency agreements, letters of support from consumers, advocacy organizations and other stakeholders, state evaluation and research reports, agency progress reports, task force minutes, and data analyses. This section should be no more than 20 single-spaced single-sided pages (documentation material to be located in indexed appendixes).

Political and State Agency Leadership

1. Document the level of support for system transformation from the various leaders in the state, foreseen reorganizations that would impact the involved leaders, and areas where consensus exists and where it is lacking among leaders. Include in this analysis the type and level of support specifically from the Governor, key legislative officials, the budget director, State Medicaid Director, and other pertinent agency directors.

Stakeholder Support and Mediation

2. Address the degree of interactive involvement and support of consumer/family/participant groups, provider associations, state government agencies, private organizations, and other pertinent entities. Areas of agreement and disagreement should be noted. Provide an understanding of how the interactive discussion occurs and if a mediation system exists for resolving disputes, creating solutions, and implementing systems reform.

Progress with System Reform

3. Document progress towards development of a shared vision for systems transformation and include a copy of the vision statement, if developed.
4. Document the status of improving access to services, including development of a one-stop shopping system.
5. Document the status of consumer directed services for all funding streams (not just Medicaid) and the use of individual budgets.

6. Document the status of developing and implementing a quality management system for long-term supports.
7. Document the status of development of information technology that would support transformation of your long-term support system, such as with streamlining business functions.
8. Document the status of the rebalancing of funding efforts between institutions and community-based services during the past five (5) years (specify the target populations). Specify if there is a waiting list for the 1915(c) home and community-based wavier program, if applicable.
9. Document the status of joint initiatives between state housing and service agencies.
10. Document current level of state interagency and intra-agency collaboration by documenting progress and remaining challenges.
11. List all the RCSC grants awarded to date and document progress in and barriers to achieving grant goals.
12. List all other pertinent system reform grants awarded to date and document progress in and barriers to achieving grant goals.
13. Document any other barriers that might delay system change efforts.
14. Describe how you will overcome any current barriers to being able to hire readily state and contractual staff to work on a system transformation grant.
15. Document any reductions or increases in Medicaid state plan options, home and community-based waivers, and in covered populations during the past five (5) years for individuals with disabilities in need of long-term supports.
16. Document your state's history and ability to implement components-to-scale (that is, your ability to implement beyond a few pilot projects, with implementation statewide being the most extensive implementation).
17. Document any laws and regulations that have been implemented to further systems change efforts.

Application Part 2: Current Level of Transformation

Minimum Requirements

1. Determine the most appropriate terminology to describe your current level (of the three alternative levels specified below: advanced, mid-range, preliminary).
2. Provide a narrative summary in the proposal as to why your chosen level is accurate.
3. Reference information provided in your System Readiness Assessment section (see *Application Part 1* above) to support your choice of level and/or additional documentation that you may provide.
4. Check your chosen level in the "Application Check-Off Cover Sheet" provided by Attachment 3 to the solicitation.

Experience over the past five years with the RCSC grants has revealed that states are operating at different places on the continuum of system transformation. While there are many points on this continuum, experience shows that these tend to form three transformation clusters or levels. The differences in the levels can be articulated by applying the definition of infrastructure given above (see *Introduction,* in Section I.C).

While not *all* the circumstances described by the three levels may apply to a system, the applicant is to choose the level that most accurately describes their state system's position on the continuum of system transformation. If more than one level applies to the applicant, then the applicant is to choose the *highest* relevant level for purposes of proposal submission for this solicitation.

The three transformation levels specified in this RFP will be used by CMS during the review process. To the extent possible, applications will be assigned to review panels based upon the selected transformation level. This review structure is designed to ensure applicants will be grouped and reviewed with other similarly situated applicants—ensuring that they will not be held to unfair comparison standards. CMS will review the applications for the appropriateness of transformation level selected before the applications are assigned to review panels. If CMS disagrees with the transformation level selected by the applicant, CMS will make every attempt to contact the applicant to acquire clarifying information. However, given the timeframe for grant review and award, CMS reserves the right to alter the transformation level of any applicant without prior consultation.
The three levels are defined as:

1. **Advanced Transformation-** describes a state where reform has occurred across multiple agencies, multiple populations, and multiple reform components. There is a history of sustainability with state-initiated reform initiatives, which may include previously awarded RCSC grants and any other federally supported initiatives. Innovative ways to fund and advance system transformation have already been implemented (e.g., lottery dollars, managed care initiatives, streamlining business functions).
2. **Mid-range Transformation** –describes a state where reform has occurred across multiple agencies for multiple populations with only one component. This state has shown a commitment and progress towards sustainability, but has found only limited innovative ways to fund and advance system transformation.
3. **Preliminary Transformation** –describes a state where reform has occurred solely in one agency for one or more populations. System reform has not been advanced, due to barriers such as funding unavailability and lack of a commitment to sustainability. The state is now at the point where some of the critical barriers can be resolved and steps towards system transformation can be accomplished.

It is CMS's intent to award grants to states across all three (3) transformation levels. However, CMS reserves the right to award grants to states at only one or two of the three levels. The individual grant award amounts are not contingent upon the level of neither transformation selected nor the number of goals selected.

Application Part 3: Transformation Goals

Applicants' proposals must address *at least three (3) goals, and may address more than three (3),* of the six (6) transformation goals listed below. Applicants have flexibility as to how the grant funds will be targeted within their state and across the selected transformation goals.

However, the application must demonstrate how the selected goals are integrated and together will assist the applicant to advance towards a more coherent system of long-term care supports.

These goals are as follows:

1. Improved Access to Long-term Support Services: Development of One-Stop System
2. Increased Choice and Control: Development/Enhancement of Self Directed Service Delivery System
3. Comprehensive Quality Management System
4. Transformation of Information Technology to Support Systems Change
5. Creation of a System that More Effectively Manages the Funding for Long-term Supports that Promote Community Living Options
6. Long-term Supports Coordinated with Affordable and Accessible Housing

It is important to note that CMS and the Administration on Aging (AoA) share the common goal of the development of one-stop systems which are frequently known as Aging and Disability Resource Centers (ADRCs). These one-stop systems or ADRCs are designed to streamline access to long-term care by providing information and assistance to individuals needing either public or private resources, professionals seeking assistance on behalf of their clients, and individuals planning for their future long-term care needs. CMS and AoA share the vision and the commitment to have one-stop systems or resource centers in every community serving as highly visible and trusted places where people can turn for information on the full range of long term support options. Currently, there are 43 states with ADRCs. If the applicant is not a current recipient of an ADRC grant or does not have an established one-stop system, CMS strongly recommends that Goal One be one of the applicant's selected transformation goals.

To help applicants prepare these sections of their proposals, each description here includes expected minimum requirements (which applicants may exceed), objectives, and outcome measures.

This section of the application should be no more than 30 single spaced, single-sided pages (in total, regardless of the number of goals selected).

GOAL 1. IMPROVED ACCESS TO LONG-TERM SUPPORT SERVICES: DEVELOPMENT OF ONE-STOP SYSTEM

Minimum Requirements if You Choose to Develop this Goal

- Provide the rationale for why you choose to develop this goal. Your rationale should be related to the information documented in your Systems Readiness Assessment section.
- Address all three objectives. Explain why the development and implementation of all three objectives will be successful, based on your Systems Readiness Assessment.
- Provide a discussion of the strategies you will use to achieve each objective.
- Provide a summary of what you will have accomplished at the end of the five-year grant in achieving this goal. This summary must 1) identify which evaluation questions and

program and participant outcome indicators you will evaluate, as selected from the list below, and 2) include a preliminary assessment of how you will measure the evaluation questions and associated outcomes. You are strongly encouraged to quantify the outcome indictors to the extent possible. The final program and participant outcome indicators will be determined during the strategic planning process. These final indicators must be approved by CMS.

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General Explanation of Goal 1[2]

The purpose of this goal is to create, or build upon, a system to improve access to comprehensive information, assistance, and long-term support services for individuals with disabilities of all ages.

The key to attaining this goal is development of a one-stop system that enables individuals to access long-term and supportive services through a single contact. One-stop systems are characterized by physical and/or virtual single entry points, multiple doors of entry, or no wrong door systems. While current one-stop system approaches may vary in the services they offer, they all provide awareness and information. To meet the overall goal of this solicitation, the one-stop system must also streamline access to long-term support services. Essential to the success of the system is to integrate or so closely coordinate access to services through a single point of contact that the long-term support system appears seamless to the individual entrant.

A one-stop system is an essential component of system transformation, because it assists with breaking down key access barriers encountered in navigating the long-term support system. These barriers include the following:

- The current long-term care system in many states is fragmented and disjointed, with many public and private programs and services delivered by a variety of agencies and organizations.
- Traversing the long-term care system can be confusing and frustrating for persons with disabilities of all ages and their family members.
- Individuals with disabilities may be placed in an institutional facility because they and their family members were unaware of, or could not easily access, home and community-based long-term care services.

Applicants that select to develop the access goal must choose one of two options:

- The Systems Transformation Grant will be used to create a new one-stop system to improve access to services.
- The Systems Transformation Grant will be used to build upon an existing one-stop access system.

[2] We introduce our discussions of each transformation goal with a general explanations of that goal—in order to assist potential applicants in deciding whether they are able to develop a credible plan for achievement of the goal.

States are increasingly developing and implementing one-stop systems, which vary somewhat in the intended functional capacities of their one-stop model, and the state's current infrastructure. Information on state systems to improve access can be found at http://www.cms.hhs.gov/PromisingPractices/HCBSPPR/list.asp, and http://www.hcbs.org/moreInfo.php/nb/doc/284/Single_Entry_Point_Systems:_State_Survey_Results**.**

CMS, in collaboration with AoA, have funded the development of a single entry point model in 43 States through the ADRC grant program (FY2003 through FY2005). In FY2006 AoA and CMS are publishing another ADRC solicitation that will provide existing ADRC grantees the opportunity to apply for funding to replicate or enhance their existing ADRC project. The CMS STG solicitation serves as the opportunity, in FY2006, for States that have not yet received an ADRC grant to apply for funding to begin the development of an ADRC initiative as an integral component of their ST grant. The program announcement for the ADRC grant opportunity is available at www.grants.gov. An applicant can learn more about ADRCs, and access resources related to ADRC functions, by accessing this website: http://www.adrc-tae.org/tiki-custom_home.php**. (See Section III. 3. Eligibility Threshold Criteria)**

Objectives

To develop Goal 1, the applicant must describe how the following three (3) objectives will be met:

Objective 1. Provide Awareness, Information, and Assistance. The purpose of this objective is to develop mechanisms that ensure individuals are aware of the availability of a one-stop system for access to long-term supports and the role of this system in helping them understand their choices. This objective can be met through development of the following activities:

- Information and referral – providing assistance by phone, mailed written materials, and communication via a website. Information and referral activities include provision of follow-up assistance to help consumers' access services.
- Screening – provide a brief review conducted by phone or in person to help understand the type of information and assistance needed for the individual and the services for which the individual may be eligible.

Objective 2. Streamline the Multiple Eligibility Processes – The purpose of this objective is to develop the ability for individuals to provide required information, proceed through interviews, complete applications, and receive eligibility decisions for multiple programs through a single point of access. This objective can be met by ensuring that the following activities are available through the one-stop system:

- Intake
- A formal assessment to determine the full scope of an individual's needs, including information about a person's health, environment, social/cognitive/psychological state,

and functional status. This assessment should include a "preadmission screening assessment" to be followed by or combined with a more in-depth assessment.
- Financial eligibility determinations that are integrated or so closely coordinated through the one-stop system that each applicant experiences a seamless interaction.
- Functional eligibility determination of the benefits or services for which a person is eligible.
- Development of a comprehensive care plan to meet the individual needs of the person.
- Service authorization for the provision of services by outside agencies or arranged by the consumer, as determined by the care plan.

Objective 3. Target Individuals Who Are at Imminent Risk for Admission to an Institution. This objective can be met through development of the following activities as part of the "one-stop" access system**:**

- Linkages to critical pathways to long-term support services - build the processes to work with hospital discharge planners, physicians, hospital emergency room staff, and other entities that are pathways to long-term support to prevent, divert, and/or delay institutional care.
- Triage System - build the processes to develop a system to readily and effectively provide the needed services to those individuals at imminent risk for admission to an institution.

Outcomes

The evaluation questions, accompanied by their associated outcome indicators, include:

Evaluation Question 1: Is the one-stop system developed effective?
- Is there an increase in the number of individuals who access the services of the one-stop over the time of the grant (that is, since the opening of the one-stop center)?
- Is there an indication of a decrease in unnecessary institutionalizations and an increase in the appropriate use of home and community-based care services?
- Is there a high level of satisfaction among stakeholders (e.g., providers, state agencies, advocates)?

The program and participant outcome indicators should include the following measurement areas: 1) choice; 2) rate of participant self-direction; and 3) nursing home or ICF/MR admission rate.

Evaluation Question 2: Is the one-stop that has been developed efficient?
- Has the process to access services, including Medicaid waivers, been streamlined? –That is, has the total time, number of steps, and number of people involved decreased? (The result would be a shortened Medicaid eligibility determination process and more efficient use of resources.)

The program and participant outcome indicators should include the following: 1) satisfaction with services; and 2) quality of life-choice, autonomy, dignity.

Evaluation Question 3: Is the one-stop visible, accessible, and approached with trust?

- Is there a high level of consumer satisfaction with the assistance provided?
- Is there a diverse user demographic (based on target populations served as well as underserved populations)?
- Does the one-stop center have a culturally competent approach to information and referral and service delivery?

The program and participant outcome indicators should include the following measurement areas: 1) satisfaction with services; and 2) quality of life-choice, autonomy, dignity.

GOAL 2. INCREASED CHOICE AND CONTROL: DEVELOPMENT/ENHANCEMENT OF SELF-DIRECTED SERVICE DELIVERY SYSTEM

Minimum Requirements if You Choose to Develop this Goal

- Provide the rationale for why you choose to develop this goal. The rationale should be related to the information documented in your System Readiness Assessment section. Indicate in your rationale if you are using this goal to create a new system to improve access or to build upon an existing Aging and Disability Resource Center model.
- Address the person-centered planning (PCP) objective (Objective #1), which is required. Provide a description of how you will use grant funds to implement PCP. If you consider that PCP is already sufficiently instituted for the target population(s), provide a specific rationale from your System Readiness Assessment supporting this conclusion.
- The other objectives are optional. If you address any of these other objectives, the specified participant and system safeguards are required. (CMS' applications (1115/1915(c)) will require certain participant and systems safeguards.) Explain why the development or enhancement and implementation of the objective(s) will be successful, based on your System Readiness Assessment.
- Discuss the current status of self-directed service delivery options and programs in your state and how the grant proposal will be coordinated with those current options and programs.
- Discuss what Medicaid program authority you plan to submit to CMS and implement during the period of the grant (e.g., a new or amended Section 1915(c) waiver, Section 1115 demonstration application, state Plan Amendment.)
- In addition, CMS is in the process of developing implementation plans and programmatic requirements for the DRA of 2005. CMS plans to provide updates regarding the implementation of the DRA of 2005 via bi-weekly Open Door Forums. States should consult the CMS Open Door Forum website for updates. This website is located at http://www.cms.hhs.gov/NewFreedomInitiative/ .
- Discuss the strategies you will use to achieve each of the self-direction objectives selected.
- Provide a summary of what you will have accomplished at the end of the five-year grant in achieving this goal. This summary must: 1) identify which evaluation questions and program and participant outcome indicators you will evaluate, as selected from the list

below; and 2) include a preliminary assessment of how you will measure the evaluation questions and associated outcomes. You are strongly encouraged to quantify the outcome indictors to the extent possible. The final program and participant outcome indicators will be determined during the strategic planning process. These final indicators must be approved by CMS.

General Explanation of Goal 2

The purpose of this goal is to encourage grant applicants to develop, or build upon, a self-directed service delivery system. The self-directed service delivery model presents older Americans and individuals with disabilities and long-term care needs and/or their families [hereafter "individuals"] the opportunity for choice and control in identifying, accessing, and managing the services and supports they need to meet their personal assistance and other health related needs.

Self-direction is an essential component of systemic transformation, because the exercise of choice and control over one's services and supports assists individuals to overcome service delivery barriers encountered in the traditional agency-delivered model. While both models are intended to assist individuals to remain as independent as possible and in community settings, certain barriers to receiving care have been encountered in the agency-delivered model. These barriers include:

- Shortage of available and qualified personal care assistants.
- Inability of individuals to schedule personal care assistants at the times and places needed and desired.
- Frequent worker "no-shows" that jeopardize the health and welfare of individuals.
- Failure of Medicaid services and supports to actually be delivered as authorized in the plan of care.
- Frequent worker turnover that contributes to disruptions in care.
- Fear that strangers will steal from individuals or harm them.

Evaluations of the self-directed service delivery model have shown that self-direction increases the likelihood that individuals will actually receive their authorized services, that services and supports already existing in the community will be accessed, that consumers will be more satisfied with their care, that the quality of their life is improved, and that individuals will be better able to engage in community life (including productive employment).

CMS recognizes that existing Medicaid waiver programs may incorporate varying levels of self-directed service delivery options. Therefore, CMS recognizes incremental growth and encourages flexibility in the design of self-directed programs. Consequently, there is no requirement in this solicitation for an applicant to demonstrate compliance with the entirety of the *Independence Plus* objectives at the time it submits a Section 1915(c) waiver application or a Section 1115 demonstration application. The proposed program may incorporate some elements of a self-directed service delivery model and accompanying requirements but does not have to be comprehensive in scope.

At the same time, however, grant applicants that successfully demonstrate compliance with all of the self-direction program components will be considered an *Independence Plus* program. *Independence Plus* programs have increasingly garnered attention and acclaim, particularly by the Office of the Secretary in the Department of Health and Human Services, the Center for Medicaid and State Operations, Congressional leaders, policymakers, and the general public. For further information on *Independence Plus*, see: http://www.cms.hhs.gov/IndependencePlus/

CMS also recognizes that states are currently examining the opportunities created by the DRA of 2005. By offering new state plan options for self-directed care, expanded home and community based services, an expansion of Title XIX coverage for families of children with disabilities, and over $2 billion in demonstration grants, the DRA of 2005 vastly expands the groundwork of the RCSC Program and can bolster the effects of the ST grants. Applicants are expected to develop ST grant programs that complement and enhance future DRA of 2005 opportunities initiated by the applicant's state.

Objectives

To develop Goal 2, applicants must address objective #1. The others are optional.

Objective 1. Develop or Enhance Person-Centered Planning (PCP) - A PCP process is directed by the individual, with assistance as needed or desired from a representative of the individual's choosing. It is intended to identify the strengths, capacities, preferences, needs, and desired measurable outcomes of the individual. The process may include other persons, freely chosen by the individual, who are able to serve as important contributors to the process. The PCP process enables and assists the individual to identify and access a personalized mix of paid and non-paid services and supports that assist him/her to achieve personally defined outcomes in the most inclusive community settings. Examples of personally defined outcomes and the services and supports to be provided to the individual are personal care, homemaker services, respite care, financial management services, and services brokerage.

Objective 2. Develop or Enhance Individual Budgeting - The individual budget is the total dollar value of the services and supports, as specified in the plan of care, under the control and direction of the individual. While states have discretion to include both Medicaid and non-Medicaid funded services and supports in the individual budget, there must be a clear audit trail delineating the Medicaid funding stream. The individual budget is:

- Developed using a person-centered planning process;
- Based on actual service utilization and cost data and derived from reliable sources, preferably the state's Medicaid Management Information System (MMIS);
- Developed using a consistent methodology that is used to calculate the resources available to each participant and is open to public inspection; and
- Reviewed according to a specified method and frequency.

If a grantee selects this objective, a financial management service must be available to individuals. Furthermore, individuals must be informed of:

- The methodology used to calculate the individual budget;

- The total dollar value of the services authorized;
- Any policies that apply to the individual's management of the individual budget; and
- The procedures to follow to request an adjustment to the individual budget.

Objective 3. Develop Participant-Employer Options - The purpose of this objective is to develop opportunities for individuals to have increased control over the workers who provide necessary assistance. Individuals have decision-making authority over workers who provide specific services and supports. The "employer of record" can be the individual or an agency (i.e., under the agency with choice model).

Objective 4. Ensure Self-Directed Supports – Grantees are required to ensure availability of a range of supports to respond to individual capacity and preference for self-direction. Self-directed supports are defined as a system of activities that inform and assist the individual to develop, implement, and manage the services and supports identified in her/his individual budget. Generally, these activities link the individual with community resources and enhance personal knowledge and skills. The extent to which the individual uses the supports may vary with his/her abilities and preferences.

To meet this objective, an applicant may design these support activities in a variety of ways, including:

- combining with existing services,
- creating a new service category to include all or some of the activities, or
- identifying them as an administrative function.

CMS requires that adequate and effective self-directed supports are in place. Examples of self-directed supports include, but are not limited to, the following:

- Provision of information regarding system processes, individual rights and responsibilities, and resources;
- Provision of labor relations information/training such as conflict resolution, hiring and firing practices, anti-discrimination, etc.
- Provision of Financial Management Services (FMS) to assist individuals to –
- Understand employer related billing and documentation responsibilities;
- Perform payroll and employer-related responsibilities (can be performed by recipients if they choose).
    - Key employer-related tasks include withholding and filing Federal, state and local income and unemployment taxes, purchasing workers' compensation or other forms of insurance; verifying citizenship and alien status; collecting and processing worker timesheets; calculating and processing benefits; and issuing payroll checks.
- Purchase approved goods and services;
- Track and monitor individual budget expenditures; and
- Identify expenditures that are over or under the budget.
- Provision of Supports Brokerage Services/Counseling/Consultation Services: The supports broker/counselor/consultant serves as a personal agent who works on behalf of the individual and is under the direction of the individual. The broker serves as a link

between the individual and the program, assisting the individual with whatever is needed to identify potential personal requirements, resources to meet those requirements, and the services and supports to sustain the individual as she/he directs her/his own services and supports.

- Individual and System Safeguards: CMS requires that grantees provide individualized and system-wide back-up planning, an independent advocate or advocacy system and a system to monitor the FMS operations and individuals' management of their accounts (where applicable) and reconciling of account balances on a regular basis.
    - Optional: Applicants can include information about whether they intend to make criminal background checks available for individuals who desire them.

Objective 5. Promote Quality Assurance and Quality Improvement – The *Independence Plus* Initiative incorporates the CMS Quality Framework outlined in the State Medicaid Director's Letter of August 29, 2002 and subsequent correspondence. By way of summary, the framework delineates the following functions of quality: design, discovery, remediation, and improvement, and defines quality through the delineation of desired outcomes for individuals across seven domains. More information about the Quality Framework can be found at http://www.cms.hhs.gov/HCBS/downloads/qualityframework.pdf. CMS requires that the Quality Framework be tailored to the self-directed service model. For example, applicants may design the program to use technology in creative ways to "discover" critical incidents and "monitor" needed follow-up and remediation, incorporate use of individuals with experience in self-direction as "peer counselors" or "peer mentors" for new individuals in the program, develop guidance or "tools" to assist individuals in identifying and planning for possible emergency back-up needs and other risk management strategies (as part of the person-centered planning process), develop "personalized" outcome measures and approaches to evaluate the effectiveness and quality of the self-directed supports used by individuals in the program, establish a quality improvement committee with program participants as members, and involve the quality improvement committee in a formal program assessment.

Objective 6. Develop Self-Direction for Persons with Mental Illness.
Persons with mental illness are among the few remaining populations where self-direction has not been widely implemented. However, the President's New Freedom Commission on Mental Health explicitly supports self-direction as a promising avenue toward independence. In choosing this objective, States must address objectives 1 – 5 (above). States must also limit individual budgets to funding for community based rehabilitation services. Hospital services and psychiatric services are not permitted in individual budgets. States must also include psychiatric advance directives in the person centered planning process.

The following includes several options States can use to develop self-direction programs for persons with mental illness:

- Develop a new 1115 waiver, or modify an existing one.
- Enhance the state's Preadmission Screening and Resident Review (PASRR) process to identify persons with mental illnesses applying to or residing in nursing facilities whose needs could be met in community based settings and to assess the community supports they need. (See Goal 5, objective 4 for additional PASRR information). 1915(c), 1115, and 1915(b) waiver authority could be used to develop self-directed alternatives.

- Section 2087 of the recently passed Deficit Reduction Act of 2005 allows for a States to develop self-direction programs using the full range of home and community based services while limiting state wideness and comparability.

Outcomes

The evaluation questions, accompanied by their associated program and participant outcome indicators, include:

Evaluation Question 1: *What is the impact, at the individual level, of the implementation of the self-direction program?*

Select at least one of the following individual outcomes related to self-direction in their program:

- Are individuals experiencing increased satisfaction in their care and their quality of life?
- Are individuals experiencing fewer unmet service needs?
- Are individuals experiencing increased access to services?
- Are individuals experiencing increased control over at least two distinct aspects of their lives?
- Are individuals feeling more safe and secure in their homes and communities, taking into account their informed and expressed choices?

The program and participant outcome indicators should include the following measurement areas: 1) rate of participant self direction (i. e., employer authority, budget authority); 2) unmet needs; 3) care coordination; 4) qualities of life-community inclusion and personal attainment; and workforce turnover, vacancy, recruitments; and 5) Health (general health, depression, pain, bed sores).

Evaluation Question 2: What is the impact, at the systems level, of the implementation of the self-direction program?

- Are supports and services planned and implemented in accordance with individual needs, preferences, and decisions?
- Has the number of Medicaid beneficiaries who choose the self-directed service delivery model increased over the life of the self-directed program?
- Has the self-directed program achieved cost efficiencies by delaying high cost long-term institutional care or reducing acute care episodes?

The program and participant outcome indicators should include the following measurement areas: 1) rate of participant self-direction; 2) qualities of life-life satisfaction; 3) health-general, depression; function-ADLs, IADLs; avoidable emergency room visits and hospitalization; nursing home or ICF/MR admission rate; and per capita costs.

For general information on self-direction, applicants can visit: www.hcbs.org, http://www.cashandcounseling.org, http://www.self-determination.com, http://www.consumerdirection.org, http://www.power2u.org, http://www.psych.uic.edu/uicnrtc.

GOAL 3. COMPREHENSIVE QUALITY MANAGEMENT SYSTEMS

Minimum Requirements if You Choose to Develop this Goal

- Provide the rationale for why you chose to develop this goal. Your rationale should be related to the information documented in the System Readiness Assessment section of your proposal.
- Explain why the development and implementation of all three (3) objectives will be successful, based on your System Readiness Assessment.
- Provide a discussion of the strategies you will use to achieve each objective.
- Provide a summary of what you will have accomplished at the end of the five-year grant in achieving this goal. This summary must 1) identify which evaluation questions and program and participant outcome indicators you will evaluate, as selected from the list below, and 2) include a preliminary assessment of how you will measure the evaluation questions and the associated outcomes. You are strongly encouraged to quantify the outcome indictors to the extent possible. The final program and participant outcome indicators will be determined during the strategic planning process. These final indicators must be approved by CMS.

General Explanation of Goal 3

Transformation of a state's long-term support system should include a comprehensive and integrated quality management strategy. The presence of such a strategy enhances the state's capacity to assure that the long-term supports system operates as designed and that the critical processes of discovery, remediation, and systems improvement occur in a structured and routine manner. Effective implementation of a quality management strategy assures state decision-makers that desired outcomes for individuals and for the service population as a whole are met.

Several barriers to the development of comprehensive quality management strategies exist. These barriers include:

- Fragmentation of the current system of long-term supports in many states, with public and private programs and services delivered by a variety of organizations. A quality management strategy frequently does not exist or is not comprehensive across all relevant programs and services.
- Lack of knowledge and appropriate expertise to develop and implement comprehensive quality management; and
- Lack of appropriate data to measure quality or systems for capturing it.

CMS's *HCBS Quality Framework* provides applicants with the conceptual framework for a transformed long-term support system and its quality management strategy. The *Framework* identifies seven (7) focus areas critical to the assurance of quality care and participant health and welfare. These focus areas align with the statutory assurances for the Medicaid Home and Community-based Services Waiver program for level of care, plan of care, qualified providers, health and welfare, administrative accountability, and financial accountability.

The *Framework* also identifies the essential functions of a comprehensive quality management system. These functions are discovery, remediation, and systems improvement. *Discovery* refers to those activities designed to identify quality issues. Examples of *discovery activities* include, but are not limited to, complaint systems, incident management systems, and regular systematic reviews of critical operations like person-centered planning and access. Discovery activities are usually designed to identify problems that occur at the individual/participant level. *Remediation* includes those activities designed to correct identified problems at the individual level. Examples include providing additional needed services when discovery activities indicate that an individual/participant has not received the necessary services, or sanctioning a provider for failure to re-evaluate participants in accordance with state policy. *Systems improvement* refers to those activities that use information derived from multiple discovery activities to identify trends that affect an entire population of individuals/participants and design improvements to the system to prevent or reduce future occurrences of quality issues.

The principles in the *Framework* and the associated statutory/regulatory assurances of the HCBS waiver program are the starting point for a state's quality management strategy. As an additional step for this year's grantees, CMS has developed a pilot set of proposed quality outcomes. In a transformed long-term support system, the quality management strategy includes both process measures for the statutory assurances as well as outcome measures related to program participants. The states' strategies may also span previously fragmented and uncoordinated service delivery systems, multiple populations, multiple waivers, or waivers and other Medicaid state plan services.

For more information about the *Quality Framework*, please visit the CMS website at http://www.cms.hhs.gov/HCBS/downloads/qualityframework.pdf.

Objectives

To develop Goal 3, applicants must address all the following objectives:

Objective 1: Develop and implement a comprehensive quality management strategy, consistent with the state's transformation of its long-term support system.
Comprehensive and integrated quality management is an essential component of a transformed long-term support system. Its presence facilitates the regular and routine identification of quality issues and implementation of actions to address issues and prevent future occurrences. It provides assurance to Federal and state regulators, to individuals served, and to the public at large that the state is actively identifying and addressing quality issues. Most importantly, implementation of quality management facilitates improvements in quality of services, quality of care, and quality of life – "what is measured improves."

Objective 2: Develop and routinely disseminate quality management reports to key entities and other stakeholders, including but not limited to state and local agencies, participants, families, other interested parties, and the public.
As part of its quality management strategy, the state develops and disseminates on a routine basis a variety of quality management reports that identify the quality issues present in its transformed system.

Objective 3: Periodically evaluate the quality management strategy
Within a transformed long-term services and supports system, the state has a process by which it routinely evaluates the effectiveness of its quality management strategy. The state's evaluation process clearly identifies the timeframe for evaluation and the key entities involved in the evaluation.

Objective 4: Periodically evaluate program and participant outcome indicators
As a result of the quality management system, a routine evaluation of program impact on participants is critical and should be included in the areas of Functional status (ADLs and IADLs), adverse events, morbidity and mortality.

Outcomes

The evaluation questions, accompanied by their associated outcome indicators, are:

Evaluation Question 1: Is the state developing a quality management strategy that, when implemented, will enable the state to measure and report on the systems performance in achieving expected outcomes, meeting the relevant Medicaid waiver requirements and assurances, and measuring:

- Level of Care – Has the state demonstrated that it implemented the processes and instrument(s) specified in its approved Medicaid HCBS waivers for evaluating/reevaluating an applicant's/waiver participant's level of care need consistent with care provided in a hospital, nursing facility or ICF/MR?
- Individual Plan – Has the state demonstrated that it has designed and implemented a system to ensure that plans of care for Medicaid HCBS waiver participants are adequate and services are delivered and are meeting their needs?
- Qualified Providers –Has the state demonstrated that it has designed and implemented an adequate system for assuring that all Medicaid HCBS waiver services are provided by qualified providers?
- Health and Welfare – Has the state demonstrated that it is assuring the health and welfare of Medicaid HCBS waiver participants including the identification, remediation, and prevention of abuse, neglect, exploitation and use of restraints?
- Administrative Accountability – Has the state demonstrated that it (the Medicaid Agency) retains administrative authority over the Medicaid HCBS waiver program and that its administration of the waiver program is consistent with its approved Medicaid waiver application?
- Financial Accountability – has the state demonstrated that it has designed and implemented an adequate system for assuring financial accountability of the Medicaid HCBS waiver program?
- Medicaid Waiver Assurances – has the applicant/state been able to produce evidence that the state meets the Medicaid HCBS waiver assurances?

Evaluation Question 2: Is the state developing a quality management strategy that, when implemented, will enable the state to measure and report on Program and Participant Outcome Indicators as follows:

- Waiting List
- Time to Service
- Rate of participant self-direction
- Unmet needs
- Care coordination
- Workforce turnover, vacancy, recruitment difficulty
- Provider education and training completion
- Abuse (physical, sexual, verbal); Restraint use
- Adverse events (accidents, falls)
- Qualities of Life (choice, autonomy, privacy, dignity, life satisfaction , relationships, personal attainment, community inclusion)
- Health (general health, depression, pain, bed sores)
- Function (ADLs, IADLs)
- Satisfaction with services
- Avoidable emergency room visits and hospitalizations
- Nursing home or ICF/MR admission rate
- Mortality causes and rate

Evaluation Question 3: Is the state developing and disseminating quality management reports to participants, families, providers, other interested parties, and the public that enable the appropriate key entity(ies) to remedy identified issues and make necessary systems improvements to the system?

- Documented use – have the stakeholders demonstrated use of the quality management reports to develop initiatives to improve services?

Evaluation Question 4: Does the state have a process by which it routinely evaluates the effectiveness of its quality management strategy?

- Does the state's evaluation process clearly identify the timeframe for evaluation and the key entities involved in the evaluation?
- Does the state regularly conduct an evaluation of the quality management strategy to determine its effectiveness?

GOAL 4. TRANSFORMATION OF INFORMATION TECHNOLOGY TO SUPPORT SYSTEMS CHANGE

Minimum Requirements if You Choose to Develop this Goal

- Provide the rationale for why you choose to develop this goal. Your rationale should be related to the information documented in your System Readiness Assessment section.
- Develop and implement Objectives 1-3. Objective 4 is optional.
- Explain why the development and implementation of the objectives will be successful, based on your System Readiness Assessment.
- Provide a discussion of the strategies you will use to achieve each objective.
- Provide a summary of what you will have accomplished at the end of the five-year grant in achieving this goal. This summary must: 1) identify which evaluation questions and program and participant outcome indicators you will evaluate, as selected from the list below; and 2) include a preliminary assessment of how you will measure the evaluation questions and the associated outcomes. You are strongly encouraged to quantify the outcome indictors to the extent possible. The final program and participant outcome indicators will be determined during the strategic planning process. These final indicators must be approved by CMS

General Explanation of Goal 4

The purpose of this goal is to create, or build upon, automated, integrated information processing and retrieval systems that a) measurably improve individual access to long-term care services and supports, b) improve the quality of services, c) support a participant-centered approach to service delivery, and d) enable consumers to control or direct their services, and increase efficiency.

Most of the legacy information technology (IT) systems that exist today were designed to support the business practices of organizations prior to the introduction of individual-centered practices, individual-directed services, and the focus on quality. The business practices supported by these legacy systems and the systems themselves fail to enable, and sometime inhibit the ability of states to implement new program models and achieve program goals. As human service programs move away from relying on centralized institutions and delivery systems to decentralized, distributed ones in local communities, the IT platforms of today must be modified or replaced to support new program goals.

A number of barriers exist that impede the development of automated, integrated information processing and retrieval systems:

- Lack of common data definitions across organizations
- Lack of uniform classification of beneficiary groups
- Outdated business practices that must be re-designed to support new program goals

- Different views of the purpose of care rendered or ways to measure it
- Organizational barriers between service delivery vehicles ranging from "turf" to regulatory requirements

Objectives

Objective 1. Design IT applications that will support program practices and processes that are individual-centered and enable persons to direct their own services. This objective can be met by the following:

- Assess routine enrollment, planning, and service delivery processes to determine whether they are consistent with participant-centered principles, enable consumer control over services and budgets, and allow for measurement of participant satisfactions and outcomes.
- Redesign routine processes, if necessary, to align them with the goals of participant-centered principles and consumer control.
- Design, develop, or modify IT applications to support the program processes that are individual-centered, enable consumer control over services and budgets, and allow for measurement of participant satisfactions and outcomes.

Objective 2. Improve client access to long-term care services through the use of integrated IT system(s). The purpose of this objective is to demonstrate how integrated IT systems play critical roles in improving client access to long-term care services. This objective can be met by two or more agencies working together to build or enhance IT systems that facilitate:

- Dissemination of information regarding service delivery options for prospective or existing LTC beneficiaries via a shared or linked web site.
- Use of beneficiary-centric one-stop informational kiosks (or other access platforms)
- Expansion of existing or developing eligibility determination systems to speed the processing of new applicants.
- Providing support workers and administrators with ready access to information about services and service delivery to enrolled participants.

Objective 3. Use integrated systems to monitor the quality of services rendered. The purpose of this objective is to demonstrate the utility of integrated IT systems to establish quantifiable program benchmarks that can be used to evaluate program effectiveness. This objective can be met by two or more agencies collaborating on:

- Development of mutually acceptable program goals, objectives, and quantifiable indicators of success amenable to periodic tracking and reporting against community norms
- Horizontal and vertical information sharing among all entities responsible for program administration
- Building, or significantly enhancing existing, data warehouses and/or data marts used to collect, store, analyze and report trends and comparisons on the quality and outcomes of services rendered in non-institutionalized long-term care settings

- Building systems that accommodate the business needs of multiple organizations that provide services to the same populations.

Objective 4. Develop regional and/or multi-state consortia capable of sharing IT protocols, best practices, lessons learned, data definitions, and approaches to building enterprise architectures that advance the state-of-art long-term care health delivery systems. The purpose of this objective is to encourage organizations to work together to overcome traditional obstacles in the development of integrated IT systems used to support creative long-term care solutions. IT consortia can promote exemplary practices, reduce duplication of effort, and serve as the springboard for testing and promulgating innovative IT approaches. This objective can be met through the development of:

- Governance models that provide ways for highly diverse organizations to reach consensus on IT issues
- Repositories of helpful tools ranging from model data use agreements to readiness checklists that can facilitate receipt of federal or state approvals for funding
- Virtual communities of expertise that can be tapped into by organizations in different parts of the country to track developments on national, state, and local IT initiatives that consortia members need to stay abreast of but cannot afford to individually participate in due to limited resources.

Outcomes

The evaluation questions, accompanied by their associated program and participant outcome indicators, include:

Evaluation Question 1: Whether, and to what degree, has the integrated IT system contributed to enhancing client/beneficiary access?

- What aspects of the IT system have played key roles?
- How long must the system operate to achieve break-even status from an investment perspective; i.e., what are the quantifiable benefits of improved access when compared to the cost of using IT to enhance it?
- Is IT a better vehicle for clients, intake workers, providers of service? How is "better" defined?

Evaluation Question 2: Quite apart from monitoring the quality of services rendered using IT, how have integrated systems been used to evaluate levels of quality improvement?

- What tools and techniques, unique to integrated information retrieval systems, improve the state's ability to quantify the program's return on its investment in terms of outcomes?
- Could the same results be achieved without investing in automated systems? If not, what is the unique contribution IT brings to the evaluation process?

- Is there a tipping point after which the evaluation of the program is not significantly improved in spite of the IT approach used? If so, what is it? Are there ways to overcome this? How?

Evaluation Question 3: Are IT consortia useful vehicles for improving program outcomes?

- What are the obstacles to setting them up? How were these overcome?
- Should there be different consortia for different purposes? Or subgroups of larger consortia to address specific concerns?
- What practices work best to encourage participation?
- What are the most common benefits resulting from such collaborations in the specific area of LTC?

GOAL 5: CREATION OF A SYSTEM THAT MORE EFFECTIVELY MANAGES THE FUNDING FOR LONG-TERM SUPPORTS THAT PROMOTE COMMUNITY LIVING OPTIONS

Minimum Requirements If You Choose to Develop this Goal

- Provide the rationale for why you choose to develop this goal. Your rationale should be related to the information documented in your System Readiness Assessment section.
- Select a minimum of one objective to develop and implement by the end of the five-year grant.
- Explain why the development and implementation of the chosen objective(s) will be successful, based on your System Readiness Assessment.
- Provide a discussion of the strategies that you will use to achieve the objective(s).
- Provide a summary of what you will have accomplished at the end of the five-year grant in achieving this goal. This summary must: 1) identify which evaluation questions and program and participant outcome indicators you will evaluate, as selected from the list below; and 2) include a preliminary assessment of how you will measure the evaluation question and the associated outcomes. You are strongly encouraged to quantify the outcome indictors to the extent possible. The final program and participant outcome indicators will be determined during the strategic planning process. These final indicators must be approved by CMS.
-

General Explanation of Goal 5

The goal is to create, or build upon, the development of a flexible budget and reimbursement system supporting community living options and individual choice and control. Key concepts supporting this goal are:

- Money Follows the Person – this "refers to a system of flexible financing for long-term services and supports that enables available funds to move with the individual to the most appropriate and preferred setting as the individual's needs and preferences change. A market-based approach gives individuals more choice over the location and type of

services they receive. A system in which money follows the person is also one that can incorporate the philosophy of self-direction and individual control in state policies and programs" (reference State Medicaid Letter, August 17, 2004, http://www.cms.hhs.gov/HCBS/downloads/qc5_031704.pdf.

- Rebalancing – this refers to adjusting the supply of the state's publicly funded long-term support services to reflect the preferences of individuals with disabilities. This adjustment consists primarily of an increase in the availability of community options and a reduced reliance on institutionally based care. (reference, http://www.cms.hhs.gov/PromisingPractices/) Flexible budgeting and reimbursement is an essential component of system transformation, because it assists with breaking down key financing barriers encountered in navigating the long-term support system. These barriers include:
- Multiple long-term support funding programs with different financial and functional eligibility and coverage requirements. This disparity results in a benefit structure with gaps and duplications, inefficiencies of administration, misaligned financial incentives, and confusion for the individual.
- Payment methodologies that are centered more on the provider than on the individual.
- Public payment laws and regulations that make the individual more likely to receive institutional coverage than community-based care options.

Objectives

To develop Goal 5, applicants must address at least one of the following objectives. Helpful information can be found at the CMS Promising Practices in Long-term Care website (http://www.cms.hhs.gov/PromisingPractices/) and the CMS technical assistance Home and Community-Based Care website (http://www.hcbs.org/).

Objective 1. Develop and Implement Flexible State Budgeting. This is a system for the administrative movement of long-term support funds between budget categories that would otherwise be fixed. This movement can be among budget categories within the same agency, but it can also be across agencies. Implementing this objective often requires action by the state legislature. There are varying levels of budget reform--from linking programs more effectively to transferring funds from one program budget to another, to actually consolidating different programs into one long-term support budget. This objective may be met through the following activities:

- Strategies to address excess institutional capacity and expand home and community-based services – this focuses on incorporating incentives to reduce unnecessary institutional beds (and payments for building new beds), while permitting these "transferred" funds to be used for provision of long-term support services in the community.
- Strategies to allow funds that are budgeted to one program to be transferred to another as an individual's needs change and he/she moves within the system – this refers to development of a flexible budget system whereby, at the government-level the "budget follows the person," and at the person-level the system permits the "money to follow the person."

- Strategies to consolidate long-term support funding streams – this refers to the "pooling" of the separate long-term support budgets into one budget. For example, the funds from the Medicaid state plan (e.g., nursing home budget, Medicaid personal care, Medicaid home and community services) can be combined with the budgets from the state Units on Aging and other state-funded programs. This strategy is also known as bundled, global, or pooled budgeting. It is, in essence, a capitated budget for state government long-term support services.

Objective 2. Develop and Implement More Effective Payment Methodologies. These are payment strategies that allow the money to follow the person, enhance private-public partnerships, and more effectively manage funding. This objective may be met through the following activities:

- Modify payment methodologies for individual services to meet individuals' needs and preferences – this refers to developing payment strategies that ease the ability for the money to follow the person. These payment strategies include the establishment of reimbursement methodologies that are driven by individual assessments of need, and consumer-directed strategies whereby cost-effective choices are made by the individual.
- Develop private-public financing strategies – this refers to incorporating incentives and developing programs to better utilize private funding sources for long-term support services. Examples of these market-based approaches are the development of viable family supplementation programs, comprehensive long-term care insurance packages and health savings accounts.
- Strategies to promote institutional diversions and transitions to the community- this refers to developing the financing mechanisms to assist with the institutional transitions of individuals to community-based options (e.g., development of a streamlined payment system whereby the funds that were allocated to pay for the individual's institutional care can be utilized for long-term support services in the community).
- Capitated managed care rates – this refers to bundled, prospectively paid, rates to providers or individuals to cover the long-term care supports and/or primary and acute care needs.

Objective 3. Target High Cost Individuals and Services or Geographic Areas with High Unmet Need. The purpose of this objective is to develop and implement mechanisms to focus on high cost areas for the state Medicaid budget, as well as other state budgets. This objective may be met through the following activities:

- Targeting persons with chronic care needs with a high or potentially high need for service utilization –this refers to developing a system to target those individuals at imminent risk for institutional placement and to prioritize funding their long-term support services in the community, such as Medicaid waiver slots. It also refers to targeting individuals who are the highest cost for state Medicaid programs--these are individuals who are covered by both Medicare and Medicaid (i.e., dual-eligible) (reference http://www.kff.org/medicaid/7058.cfm).

- Targeting rural areas with high unmet need – this focuses on reengineering the financing and service structures in rural areas with high unmet need for individuals with disabilities (e.g., the development of an integrated service delivery system).
- Improving workforce capacity and retention – this refers to developing financing mechanisms that would provide incentives for improved workforce capacity and retention. These incentives include better wages, health insurance, child care, career paths, and training for staff hired by providers. It also includes the calibration of equitable payment rates for self-directed supports.
- Improving the coordination and financing of transportation – this refers to coordination with transportation services to 1) enhance planning and financing of coordinated transportation services at the community level; 2) incorporation of transportation into individual transition planning; 3) collaboration with community partners to integrate technology for enhancing reservations, scheduling, reporting, and billing in transportation services; 4) implementation of awareness and travel training programs to help individuals understand and build skills for utilizing transportation services; and 5) provision of assistive technology to assist individuals with negotiating community routes and directions (reference, http://www.unitedweride.gov/).

Objective 4. Using PASRR to Assist Participants with Mental Illnesses to Live in Community Based Settings. This objective is designed to assist States in fully developing the Preadmission Screening and Resident Review (PASRR) process, a process intended to assist people with mental illnesses to live successfully in community based settings. This objective may be met through the following activities:

- Fully implement the Federal requirements under 42 CFR 483.100-138 (with particular emphasis on .134(b)(5)), to administer Level I and II screenings for all individuals with mental illnesses and mental retardation or related conditions who apply to or reside in a nursing facility.
- Obtain partnerships with the state mental health authority, in its required PASRR responsibilities.

Use data gathered from PASRR screens to understand service gaps and develop community based alternatives for persons with mental illnesses who would otherwise reside in a nursing facility. More information regarding PASRR can be obtained by accessing: (http://www.mentalhealth.samhsa.gov/publications/allpubs/SMA01-3543/default.asp

- Use these data to implement one or both of the following options:
    - Develop and implement systems for diverting new nursing facility applicants with mental illnesses to live successfully in community based settings
    - Develop and implement systems that allow people with mental illnesses who currently reside in nursing facilities to live successfully in community settings.
- (Please Note: The PASRR process is matched at 75% administrative FFP. For all activities that go toward improving the required state PASRR program itself, grant funds would only be needed for the 25% non-Federal share.)

Outcomes

The evaluation question, accompanied by the associated program and participant outcome indicators, is:

Evaluation question: How has the Medicaid budget been impacted by the implementation of this goal?

- What is the proportional change in total Medicaid spending on home and community-based services compared to institutional services–both overall and by the population targeted in the proposal?
- What is the proportional change in Medicaid per capita spending on home and community-based services and institutional services?
- What is the rate of change for Medicaid long-term care spending compared to the national average?
- What is the proportional change in the number of institutional beds and the number of Medicaid waiver slots?

The program and participant outcome indicators should include the following measurement areas: per capita costs, avoidable emergency rooms visits and hospitalizations, nursing home and ICF-MR admission rate.

GOAL 6. LONG-TERM SUPPORTS COORDINATED WITH AFFORDABLE AND ACCESSIBLE HOUSING

Minimum Requirements If You Choose to Develop this Goal

- Provide the rationale for why you chose to develop this goal. Your rationale should be related to the information documented in the System Readiness Assessment section of your proposal.
- Select at least one objective to develop and implement.
- Explain why the development and implementation of the chosen objective(s) will be successful, based on your System Readiness Assessment.
- Provide a discussion of the strategies you will use to achieve the objective(s).
- Provide a summary of what you will have accomplished at the end of the five-year grant in achieving this goal. This summary must: 1) identify which evaluation questions and program and participant outcome indicators you will evaluate, as selected from the list presented below; and 2) include a preliminary assessment of how you will measure the evaluation questions and associated outcomes. You are strongly encouraged to quantify the outcome indictors to the extent possible. The final program and participant outcome indicators will be determined during the strategic planning process. These final indicators must be approved by CMS.

General Explanation of Goal 6

The purpose of this goal is to create, or build upon, a system to remove barriers that prevent Medicaid-eligible individuals with disabilities from residing in the community and in the housing arrangement of their choice (reference, http://www.hcbs.org/theme.php/1/Housing%20Coordinated%20with%20Services).

Key concepts supporting this goal are the following:

- Availability of affordable and accessible housing is important not only because it provides shelter, but because it is a necessary foundation to remaining living in the community.
- Affordability and accessibility of housing is related to maintaining and/or improving the health and psychosocial status of individuals.
- Coordination of the provision of long-term support services with affordable housing for an individual is needed to enable individuals with disabilities to live healthier lives in the community and prevent or delay institutional placements, unnecessary emergency room visits, and acute-care hospitalizations.
- Homeownership is a viable option for individuals with disabilities living on lower-incomes.

Affordable housing options coordinated with services is an essential component of system transformation and community living. The lack of either component can result in institutionalization. Barriers to coordination result from:

- Multiple funding sources, each with their own associated requirements, are required to build affordable and accessible housing. This "layer-financing" reality is time-consuming and administratively expensive because of these transaction costs.
- Provision of long-term supports in affordable housing is often challenged by limited service capacity and restricted public funding, such as a cap on the number of Medicaid waiver slots.
- Housing and services each has its own set of program, regulatory, and legal requirements that often makes difficult and can even prevent the coordination of services with affordable housing (e.g., the differences in the eligibility requirements between the Medicaid and subsidized housing programs.)

Objectives

To develop Goal 6, applicants must address at least one of the following objectives:

Objective 1. Increase the Capacity of Affordable and Accessible housing – the purpose of this objective is to develop mechanisms to increase the number of affordable and accessible housing units for individuals with disabilities.

Rental models include, but are not exclusive to, HUD public housing with services, assisted living, HUD section 202 (i.e., older Americans), HUD section 811 housing (i.e., individuals with

disabilities), and US Department of Agriculture section 515 housing (i.e., rural-based), foster homes, and various types of scattered-site rental units. Homeownership may include private homes, affordable continuing care retirement communities, and cooperative housing. This objective may be met through the following activities:

- Increasing incentives for lower income housing tax credit usage for individuals with disabilities.
- Easing the leasing or purchasing of government land for the building of affordable housing.
- Dedicating and increasing the sources of funding for the housing trust fund.
- Creating incentives for renovating existing, outdated affordable housing.

Objective 2. Improve the Coordination of Long-term Supports within Affordable Housing. The purpose of this objective is to develop a system to provide the needed long-term support services to individuals residing in affordable housing in a reliable, cost effective, person-driven, and timely manner. This objective may be met through the following activities:

- Include housing and long-term support needs in the individual service planning process (e.g., plan of care).
- Negotiate letters of agreement or memoranda of understanding that substantiate the partnership between the long-term support and housing sectors.
- Use dedicated administrative positions to improve access to and coordination and capacity of affordable and accessible housing with services (i.e., "housing with services coordinators").
- Develop home and community-based waivers to serve individuals who are Medicaid eligible for nursing home care but could receive assisted living services in the community.
- Retrofit existing housing to enable better service provision and accessibility.
- Increase awareness of and funding for service coordinators and care managers within and among housing sites.
- Develop quality monitoring systems.

Objective 3. Increase Access to Affordable Housing with Long-term Supports. The purpose of this objective is to develop a system to better locate, apply for, and live appropriately in affordable housing that meets the income, accessibility, and preferences for the individual. Accessibility refers to the ability of the individual to function not only within their home, but also within their neighborhood (e.g., access to transportation.) This objective may be met through the following activities:

- Meaningfully involve consumers, stakeholders, and public-private partnerships in planning, implementation, and evaluation activities.
- Develop housing registries (reference, http://www.adrc-tae.org/tiki-page.php?pageName=Web+Based+Housing+Registry).
- Co-locate housing and long-term care support staff as part of a one-stop/single point of entry system.

- Create a system for incorporating greater participation by individuals and families in the consolidated plan and public housing agency plan development processes of state, local, and public housing agencies (reference, http://www.hud.gov/offices/cpd/about/conplan/index.cfm, http://www.hud.gov/offices/pih/pha/index.cfm).

Outcomes

The evaluation questions, accompanied by their associated program and participant outcome indicators, include:

Evaluation Question 1: Has the capacity of the affordable and accessible housing increased?

- Has the number of affordable and accessible rental units for individuals with disabilities increased?
- Has the number and rate of affordable homeownerships among individuals with disabilities increased?
- Has the mortgage default rate among homeowners with disabilities of any age decreased?

Evaluation Question 2: Has the capacity of affordable and accessible housing that can accommodate persons with disabilities of any age and provide long-term supports increased?

- Has the number of people receiving long-term supports in affordable housing, such as through Medicaid waivers and the Older Americans Act, increased?

Evaluation Question 3: Has access to affordable and accessible housing that coordinates and/or provides long-term supports improved?

- Has the waiting time for affordable and accessible housing with services decreased (note: you need to adjust for the increase in qualifying population)?
- Has the home mortgage processes for persons with disabilities of any age been streamlined and the time to receive mortgage approval for purchasing an affordable home decreased?
- Has a housing registry been developed and/or expanded? If so, has use of the housing registry increased? Is it considered a reliable and comprehensive source of information?
- Have housing coordinators been hired or expanded in number and function? (These coordinators may work in the Medicaid agency, housing agencies, Area Offices on Agency, etc.)
- Have formal pathways or protocols been developed to coordinate the long-term support agencies and the housing agencies? Has there been co-location of housing and service staff in entities, such as single point of entries/one-stop centers?
- Has use of service coordinators in HUD subsidized housing increased?
- Have models been developed/expanded to coordinate long-term supports in affordable and accessible housing (e.g., affordable assisted living)?

Evaluation Question 4: Has affordable and accessible housing where individuals are receiving long-term supportive services proved a cost-effective and quality alternative to institutionalization? The program and participant outcome indicators should include the following measurement areas: per capita costs, nursing home and ICF-MR admission rats, morbidity and mortality, satisfaction with services, autonomy, and community inclusion.

- Are the residents more satisfied with their living in the affordable housing than their previous residence?
- Is there a high level of satisfaction with residing in the affordable housing?
- Has the rate of admissions to nursing facilities, emergency room visits, or acute care hospitalizations for the individuals residing in the affordable housing decreased?
- Were any of the housing residents transitioned from nursing facilities or other long-term institutions?

Application Part 4. Strategic Plan

If an applicant is successful and receives an award, the grantee will be required to develop a full strategic plan for the grant implementation period. This plan is to be developed with input from CMS, and the 90% of the funds for grant implementation will be released only when your full strategic plan has been approved by CMS. To help with the development of your strategic plan, CMS will issue detailed instructions regarding completion of a full strategic plan no later than 45 days after the notice of grant award.

Thus, CMS does not expect the applicant to include a fully developed strategic plan in the application. However, this section of the application must include a description of the process the grantee will go through to develop their strategic plan during the planning phase. This description must outline the planning and implementation phases of the grant program and include a preliminary description of the proposed goals and objectives you will address during the implementation phase. To help with the drafting of this section of your proposal, a preliminary description of the elements that a strategic plan must encompass is given here:

1. *Mission Statement*: Defines the core purpose of the organization and describes who an organization serves.
2. *Vision Statement:* Articulates an achievable image of what your system will look like at the end of the grant period.
3. *Goals*: Articulate desirable and measurable results in achieving your vision.
4. *Objectives:* Identify quantifiable interim steps toward achieving goals that will serve as the basis for measuring your progress.
5. *Strategies*: Specific actions you will take to accomplish your objectives.
6. *Implementation Plan*: Includes specific activities, defines specific milestones, and includes start and end dates. Assigns all tasks to a task owner or party accountable for accomplishing the task.
7. *Technical Assistance* Plan: Identifies any areas/activities for which technical assistance is required, the process for acquiring technical assistance (e.g. contract), the technical assistance entity, and a detailed budget for procurement of technical assistance.
8. *Evaluation Plan*: Must include such items as:

a. Outcome measures that identify (a) specific areas you will focus on to measure the successful achievement of goals and objectives and (b) how data and information will be collected to support these measures.
b. Description of your formative learning process and procedures for documentation.
c. Whether the grantee will contract with an evaluator to assist with the evaluation plan development and implementation. If an evaluator's services are being purchased, specify what tasks the evaluator will perform and include the evaluator's costs in the grant budget.
d. Identification of baseline data, how it will relate to the goals selected, and how it will be collected
e. Explanation of how input from consumers, stakeholders, and the advisory board will be used to guide the evaluation.

CMS expects the content of the strategic plans to vary significantly from state to state, because it should reflect substantial knowledge of the individual state, its leadership, and corresponding local systems. States are encouraged to contract with a consultant with relevant experience as needed (i.e., organizational development, management consulting, strategic planning, and change management) to help draft and implement the plan. The consultant should have direct experience in developing and implementing strategic plans, including a proven track record in guiding senior leaders through major organizational change. Optimally, the consultant would have intimate knowledge of and experience working with the health care system in the state.

It is also important that the plan be developed in consultation with a wide array of stakeholders. These stakeholders should include individuals with disabilities of all ages, advocates, providers, and relevant state agencies, including those operating waiver programs and previously awarded grant programs.

This section of the application should be no more than 5 single-sided, single-spaced pages.

Application Part 5: Preliminary Budget

Refer to **Section IV**. Application and Submission Information, Subsection 2. Contents, number 7b.

II. AWARD INFORMATION

TABLE OF REAL CHOICE SYSTEMS CHANGE
GRANTS FY2006

This solicitation discusses the availability funding from the Centers for Medicare & Medicaid Services (CMS) for Real Choice Systems Change Grants for FY 2006. The Conference Report accompanying the consolidated appropriations for 2006 (H.R. Conf. Report. 108-792) contained language expressing intent to fund Real Choice Systems Change Grants at $25 million. But Congress also passed an across-the-board rescission of 1 percent, which would reduce the original $25 million to $24,750,000 Approximately $5 million of these funds will be used to fund support contracts for web-based reporting, technical assistance with the development of

strategic plans and evaluation of the grant program. This Real Choice Systems Change Grant solicitation discusses the availability of approximately $20 million in funding for Systems Transformation Grants and supplemental grants to selected FY 2005 grantees. These grants are authorized by the President's Executive Order 13217 "Community-Based Alternatives for Individuals with Disabilities" and pursuant to §1110 of the Social Security Act (the Act). This solicitation for the Real Choice Systems Change Grants is also available at http://www.cms.hhs.gov/RealChoice/.

**The single state Medicaid Agency, state Mental Health Agency, state Mental Retardation or Developmental Disability Agency or instrumentality of a state (as defined under state law) may apply for the Systems Transformation Grants. By "State" we refer to the definition provided under 45 CFR 74.2 as "any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a state exclusive of local governments." "Territory or possession" is defined as Guam, the United States Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands. All applications for System Transformation grants must include a letter of endorsement from the Governor of the State. If an application is from an applicant that is not the single state Medicaid Agency, a letter of endorsement from the State Medicaid Director is required. States that received a Comprehensive Systems Reform Grant in FY2004 or a Systems Transformation grant in FY2005 are not eligible for an STG in FY2006.

CFDA 93.779 Grant Opportunity	Total Funding	Who May Apply?	Max. No. of Grant Awards per State per Type of Grant	Maximum Award*	Maximum Project Period	Percent Allowable for Direct Services **	Estimated Number of Awards
Systems Transformation Grants	$20 million	Single State Medicaid Agency, State Mental Health Agency, State MRDD or State Instrumentality**	1	Awards Up to $3,000,000 (expected range of awards is between $2,000,000 and $3,000,000	60 months	15%	6-7

* It is anticipated that applicants may request budgets ranging from $2,000,000 to a maximum of $3,000,000. CMS reserves the right to reduce an award based on the applicant's overall proposal as compared to the scope and intention of other successful applications.

**Direct Services do not include expenses budgeted for consumer task force member participation in CMS' Annual New Freedom Initiative Conference, the provision of technical assistance, or attendance at technical assistance conferences sponsored by CMS or its national technical assistance providers for the benefit of Real Choice Systems Change Grantees.

Note: The amounts listed in the "maximum award" column span the entire project period (60 months). That is, they are **not** annual award amounts renewable every 12 months.

III. ELIGIBILITY INFORMATION

1. Eligible Applicants

Systems Transformation Grants
Any single state Medicaid Agency, state Mental Heath Agency, state Mental Retardation and Developmental Disabilities Agency, state Department of Aging or instrumentality of the state may apply for a Systems Transformation Grant, except in states that received a Comprehensive Systems grant in FY2004 (Wisconsin and Vermont). More than one Systems Transformation application can be submitted for a given state, but only the highest ranking application will be considered for an award.

Each application for a Systems Transformation grant must include a letter of endorsement from the state's governor. Additionally, a letter of support is needed from the State Medicaid Director, if the applicant is not the single state Medicaid Agency/State Agency.

Applicants are strongly encouraged to include in an appendix additional letters of support and/or current memorandums of understanding from major partners, including consumers. These letters and memorandums give substantive support to the applicant's project narrative and describe the extent of partnering in the community and the involvement of consumers. Applicants should include all such letters as part of their application package. CMS cannot guarantee that any letters submitted separately will be matched with the correct application.

States
By "State" we refer to the definition provided under 45 CFR 74.2 as "any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State exclusive of local governments." By "territory or possession" we mean Guam, the U. S. Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.

2. Cost Sharing or Matching

Grantees are required to make a non-financial contribution of five (5) percent of the total grant award (including all direct and indirect costs). Non-financial contributions may include the value of goods and/or services contributed by the grantee (e.g., salary and fringe benefits of staff devoting a percentage of their time to the grant not otherwise included in the budget or derived from Federal funds). The non-financial contribution requirement may also be satisfied if a third party participating in the grant makes an "in-kind contribution," provided that the grantee's contribution and/or the third-party in-kind contribution total five (5) percent of the total grant award (including all direct and indirect costs). Third-party in-kind contributions may include the value of the time spent by consumer task force members (using appropriate cost allocation methods to the extent that non-Federal funds are involved) who specifically contribute to the design, development, and implementation of the grant. Non-financial contributions must be included in the applicant's budget in Item 15 (Estimated Funding) on Standard Form 424A and described in the Budget Requirements subsection of the application (see Section V.3).

3. Eligibility Threshold Criteria

- Applications not received by the application deadline will not be reviewed.

- Even though an application may be reviewed and scored, it will not be funded if the application fails to meet any of the requirements as outlined in, Section III, *Eligibility Information* and, Section IV, *Application and Submission Information.*

- An applicant can apply for additional CMS funding for Real Choice Systems Change Grants in areas for which prior CMS funding has been awarded except for the following circumstances. 1) States in receipt of a FY2004 Comprehensive grant (Vermont and Wisconsin) or 2) recipient of a FY2005 Systems Transformation grant (Maine, New Mexico, Massachusetts, Louisiana, New Hampshire, Arkansas, South Carolina, Iowa, Oregon and Missouri). In all other circumstances, the applicant must include a narrative (within the page limits of the proposal narrative requirements) on how the proposed activities will not duplicate activities currently funded by prior CMS grants, through other grants, and/or through cooperative agreements. For example, an applicant that has been previously awarded a CMS Quality Assurance & Quality Improvement grant, Rebalancing grant, and/or Long-term Supports Coordinated with Affordable Housing grant is eligible to apply for a FY2006 System Transformation grant and work on the quality, finance, and housing goals included in this grant solicitation. Such an applicant must include a clear description of the additional, not duplicative, activities that will be achieved by being awarded further funding for development, and their submission must also be within the page limits of the proposal narrative requirement.

- For applicants applying for a Systems Transformation grant that choose to develop the access goal (Transformation Goal #1), AoA and CMS recognize that there may be multiple grant funding opportunities from CMS, AoA, and other entities to streamline access to long-term care for older Americans and individuals with disabilities. Applying for and receiving funding from multiple sources to improve access to long-term supports is permitted. Examples of such multiple funding scenarios include the following:

- Applicant has been awarded a CMS RCSC grant that relates to access (other than the exceptions noted previously) and is applying for a FY2006 ADRC and/or FY2006 CMS RCSC System Transformation grant.
- Applicant has already been awarded a FY2003, FY2004, or FY2005 ADRC grant and is applying for a FY2006 AoA and CMS ADRC grant and/or a CMS RCSC Systems Transformation grant.
- Applicant has already been awarded an FY2005 ADRC grant and is applying for a FY2006 CMS RCSC Systems Transformation Grant.
- Applicant has not been awarded an access grant from CMS, AoA, or other entity and is applying for a FY2006 CMS RCSC System Transformation grant.

In all the above circumstances, it is permissible for an applicant to apply for and receive funding from multiple access grants.

Note: If Grantees that were awarded ADRC grants in previous years and wish to submit a Systems Transformation application that includes Goal 1 *(Improved Access to Long-Term Support Services: Development of a One-Stop System)*, they must: 1) list, in their Systems Transformation proposal, all current initiatives related to access to long-term support and/or all grant applications proposed for FY 2006 that include access activities; and 2) explain in the Systems Transformation proposal narrative how the activities of each grant will not be duplicative or in any way conflict with other grants but rather build upon other initiatives to further enhance the states efforts to streamline access to long-term care.

Applicants that did not receive an ADRC grant in FY2003, 2004, or 2005 may apply for funding through the Systems Transformation opportunity to create an Aging and Disability Resource Center model through Goal 1 *(Improved Access to Long-Term Support Services: Development of a One-Stop System).* These applicants should use the FY2005 ADRC solicitation (see http://www.aoa.gov/prof/aging_dis/background.asp) as a guide in developing their proposal for this goal.

Applicants are **strongly encouraged** to use the review criteria information provided in Section V, *Application Review Criteria and Information*, to help ensure that you adequately address all the criteria that will be used in evaluating the proposals.

IV. APPLICATION AND SUBMISSION INFORMATION

Applicants must to submit their applications electronically through http://www.grants.gov. Please note when submitting your application electronically, you are required, additionally, to *mail* a signed SF 424 to Nicole Nicholson, Centers for Medicare & Medicaid Services, Office of Operations Management, Acquisition and Grants Group, C2-21-15 Central Building, 7500 Security Boulevard, Baltimore, MD 21244-1850. The mailed SF 424 form may be received at the Centers for Medicare & Medicaid Services within two (2) days of the application closing date.

1. Address to Request Application Package

Up-to-date information about the RCSC grants may be accessed at http://www.cms.hhs.gov/RealChoice/

A complete electronic application package, including all required forms, for the RCSC grants is available at http://www.grants.gov.

Standard application forms and related instructions are available online at http://gsa.gov/forms.

Standard application forms and related instructions are also available from Nicole Nicholson, Centers for Medicare & Medicaid Services, Office of Operations Management, Acquisition and Grants Group, C2-21-15 Central Building, 7500 Security Boulevard, Baltimore, MD 21244-1850, (410) 786-5158, or by e-mail at Nicole.Nicholson@cms.hhs.gov.

2. Content and Form of Application Submission

2a. Form of Application Submission

- Paper applications should be submitted on white paper only.
- Paper applications may not be bound, stapled, or include tabs.
- Paper applications may use colored ink on the cover of the application; however, black ink is required for all other pages of the application.
- The only acceptable paper size or formatting for paper size is 8.5" x 11" letter-size pages with 1" margins (top, bottom, and sides).
- Paper applications must be single-sided.
- All pages of the project narrative must be paginated in a single sequence. The proposed budget must directly follow the narrative and be paged within the same page sequencing.
- Font size must be no smaller than 12-point with an average character density no greater than 14 characters per inch.
- The narrative portions of the application must be SINGLE SPACED.
- The Project Abstract should be no more than one page long.
- For System Transformation grant applications, the titles and sequence of the headings in the project narrative must coincide with the wording and sequencing used in the solicitation.
- The Project Narrative and Proposed Budget portions of the application are limited to the following number of (single-spaced, single-sided) pages:

Systems Transformation.....60

Abstract (single spaced, one page, not included in page limit)

Project Narrative
Part 1: Systems Readiness Assessment.....20
Part 2: Current Level of Transformation 2
Part 3: Transformation Goals.....30
Part 4: Strategic Plan.....5
Part 5: Budget Presentation.....3

2b. Required Contents

For a Systems Transformation Grant, a complete application consists of the following materials organized in the following sequence:

1. Notice of Intent to Apply
Applicants are encouraged to submit a non-binding Notice of Intent to Apply. Notices of Intent to Apply are not required and their submission or failure to submit a notice has no bearing on the scoring of proposals received. But receipt of such notices enables CMS to better plan for the application review process. These may be submitted in any format; however, a sample is

included in Attachment 1. *Notices of Intent to Apply are due May11, 2006 and should be faxed to Sona Stepp at 410-786-9004.*

2. Application Check Off Cover Sheet
Complete the check-off cover sheet as indicated; refer to Attachment 4.

3. Standard Forms (SF)
Standard forms are available as detailed in, Section IV.A, *Address to Request Application Package.* The following standard forms must be completed with an original signature and enclosed as part of the proposal:

SF 424: Official Application for Federal Assistance (see **Note** below)
SF 424A: Budget Information
SF 424B: Assurances—Non-Construction Programs
SF LLL: Disclosure of Lobbying Activities
PHS-5161-1 (7/00) Additional Certifications

Note: On SF 424 "Application for Federal Assistance":

- State the specific RCSC grant opportunity for which you are applying: Systems Transformation grant on Item 11 "Descriptive Title of Applicant's Project."
- Check "No" to item 16b, as Review by State Executive Order 12372 does not apply to these grants.

4. Required Letters of Endorsement
For the Systems Transformation grant, a letter of support from the State Governor is required. If the applicant is not the single state Medicaid Agency, a letter of support from the State Medicaid Director must be included. Additional letters of endorsement from the major partners that are not the lead agency are encouraged, such as from the agency administering a relevant §1915(c) home and community-based waiver, the State Mental Health Director or the Office of Mental Retardation and Developmental Disabilities.

Failure to include the required letters of support will result in an incomplete application, which is not eligible for review and award.

5. Project Abstract
A one-page abstract should serve as a succinct description of the proposed project and should include the goals of the project, the total budget, a description of how the grant will be used to develop or improve community-integrated services, and the ultimate outcomes and products.

6. Applicant's Application Cover Letter
A letter from the applicant identifying the agency serving as the lead organization, indicating the title of the project, the principal contact person, amount of funding requested, type of RCSC grant proposal, and the names of the major partners actively collaborating in the project.

The letter should indicate that the submitting agency has clear authority to oversee and coordinate the proposed activities and is capable of convening a suitable working group of all

relevant partners. Inclusion of organizational charts representing the structure of the lead agency and major partners are encouraged. This letter should be addressed to:

Judy Norris
Centers for Medicare & Medicaid Services
Office of Acquisition and Grants Management
Mail Stop C2-21-15
7500 Security Boulevard
Baltimore, Maryland 21244-1850

7a. Project Narrative

- The project narrative should provide a concise and complete description of the proposed project.
- The content of the project narrative for the Systems Transformation Grant (60 page limit) is composed of five parts, as discussed in Section IV.2.7a:
  - Part 1: Systems Readiness Assessment
  - Part 2: Current Level of Transformation
  - Part 3: Transformation Goals and Outcomes
  - Part 4: Strategic Plan
  - Part 5: Budget

7b. Specifics on the Budget

System Transformation Grant: The applicant is required to provide a preliminary budget for the five-year grant period. Given that the strategic plan process, which is post-award, will more accurately determine the budgeted costs, the applicant is required to provide only estimated costs, not to exceed a maximum award of $3 million.

The budget presentation must include the following:

- Estimated Budget Total. Provide the budget broken down by the requested Federal grant funding request and the required 5% state match contribution.
- Total estimated budget broken down by year, and then by Federal and state funding.
- Total estimated funding requirements for each of the following line items, and a break down for each line item by grant year -- provide estimated funding requirements for:
  - Personnel
  - Fringe benefits.
  - Contractual costs, including consultant contracts.
  - Indirect Charges, by federal regulation.
  - Travel
  - Supplies
  - Equipment
  - Other costs
  - A separate detailed funding requirement for developing your Strategic Plan. This must be included in your total estimated budget.
  - Completion of the Budget Form 424A remains a requirement for consideration of your application. This Estimated Budget Presentation is an important part of your

proposal and will be reviewed carefully by CMS staff. It will not, however, be evaluated and scored by grant panel reviewers.

All Grantees will be required to attend one meeting per year in the Washington, DC or Baltimore, MD area sponsored by CMS for the benefit of Real Choice Systems Change Grantees. Therefore, applicants' budgets must include funds for at least one person to attend a CMS-sponsored meeting in the Washington, DC or Baltimore, MD area for each year of the grant. Systems Transformation Grantees will be required to travel to Baltimore, Maryland during the Planning Phase for review of their strategic plans. It would be appropriate to budget for four people to meet in Baltimore for one eight-hour day.

8. Appendices

- All documents required for the System Readiness Assessment identified by the 17 assessment issues (for STGs) Include an inventory of all documents with a reference to which of the 17 assessment issues they support.
- Letters of support
- Other support documentation referenced by the section and number of the solicitation

9. Required Attachments (Placed in Appendix)

Attachment 1: Notice of Intent to Apply (Faxed to CMS as instructed in .2b of this section)
Attachment 2: Prohibited Use of Grant Funds
Attachment 3: Resumes (key project staff)

3. Submission Dates and Times

Notices of Intent to Apply
Voluntary Notices of Intent to Apply for a grant are due by Thursday, May 11, 2006 should be faxed to Sona Stepp at 410 786-9004. It is not mandatory for an applicant to submit a Notice of Intent to Apply; however, such submissions help CMS plan its review process, including its review panels. Submission of a Notice of Intent to Apply does not bind the applicant to apply; nor will it cause a proposal to be reviewed more favorably.

Grant Applications
All grant applications are due by June 15, 2006. Applications submitted through http://www.grants.gov until 11:59 p.m. Eastern time on June 15, 2006 will be considered "on time." All applications will receive an automatic time stamp upon submission and applicants will receive an automatic e-mail reply acknowledging the application's receipt.

Please note when submitting your application electronically, you are required, to *mail* a signed SF 424 to Nicole Nicholson, Centers for Medicare & Medicaid Services, Office of Operations Management, Acquisition and Grants Group, C2-21-15 Central Building, 7500 Security Boulevard, Baltimore, MD 21244-1850. The mailed SF 424 form may be received at the Centers for Medicare & Medicaid Services within two (2) days of the application closing date**.**

Grant Awards: Time frame
All grant awards will be made prior to September 30, 2006, and will have a start date on or before September 30, 2006. All grants will have a timeframe of 60 months.

4. Intergovernmental Review

Applications for these grants are not subject to review by states under Executive Order 12372, "Intergovernmental Review of Federal Programs" (45 CFR 100).

5. Funding Restrictions

Indirect Costs
The provisions of the OMB Circular A-87 govern reimbursement of indirect costs under this solicitation. A copy of OMB Circular A-87 is available online at:
http://www.whitehouse.gov/error-404.html
http://www.whitehouse.gov/omb/circulars/a087/a087.html

Direct Services
Up to fifteen (15) percent of grant funds under the Systems Transformation grant program may be used for that purpose. Direct services are services that are furnished directly to an individual with a disability or long-term illness including personal care services.
.
Direct services do not include expenses budgeted for consumer task force member participation in RCSC Conferences, provision of technical assistance, or attendance at technical assistance conferences sponsored by CMS or its national technical assistance providers for the benefit of RCSC grantees.

Reimbursement of Pre-Award Costs
No grant funds awarded under this solicitation may be used to reimburse pre-award costs.

6. Other Submission Requirements

Electronic Applications
The deadline for all applications to be submitted through http://www.grants.gov is June 15, 2006. For information on how to get started with Grants.gov, please visit http://www.grants.gov/GetStarted. We strongly recommend that you **do not** wait until the application deadline date to begin the application process through Grants.gov. We recommend you visit Grants.gov at least 30 days prior to filing your application to fully understand the process and requirements. We encourage applicants to submit well before the closing date and time so that if difficulties are encountered, an applicant may have time to solicit help.
Also visit the following website: http://Grants.gov/Newsletter for all of the latest information about the benefits and success of this initiative. In order to submit their applications electronically, applicants will need to:

- Download and install PureEdge Viewer from the http://www.grants.gov/DownloadViewer site. This small, free program will allow applicants to access, complete, and submit applications electronically and securely.
- Find an opportunity for which you wish to apply at http://www.grants.gov/Find and record the Funding Opportunity number or CFDA. *You will need to enter the Funding Opportunity and/or CFDA number to access the application package and instructions.*
- Download the complete electronic grant application package from http://www.grants.gov.
- Register with Central Contractor Registry (CCR)—Applicants may register for the CCR by calling the CCR Assistance Center at 1-888-227-2423 or online at http://www.ccr.gov. Online registration will take about 30 minutes before attempting to register with CCR. Applicants should receive their CCR registration confirmation within 5 business days after CCR registration. Note: Registering with the CCR requires that applicants have a DUNS number from Dun & Bradstreet.[3]

The DUNS number is a nine-digit identification number that uniquely identifies business entities. Obtaining a DUNS number is easy and there is no charge. To obtain a DUNS number, access the following Website: www.dunandbradstreet.com or call 1-866-705-5711. This number should be entered in the block with the applicant's name and address on the cover page of the application (Item 5 on the Form SF-424, Application for Federal Assistance), with the annotation "DUNS" followed by the DUNS number that identified the applicant. The name and address in the application should be exactly as given for the DUNS number.

Register with the Credential Provider—Applicants must register with the Credential Provider to receive a username and password to securely submit their grant application.

Register with http://www.grants.gov —Registering with Grants.gov is required to submit grant applications electronically on behalf of your organization. After completing the registration process, applicants will receive e-mail notification confirming their ability to submit applications through Grants.gov. (Technical support for Grants.Gov is available Monday-Friday from 7:00 a.m. to 9:00 p.m. Eastern time.)

Upon submission of the grant application to http://www.grants.gov, applicants will receive an e-mail confirming that the application was received.

Applicants may not submit the same application in more than one format, and the choice of one application format over another will not cause an application to be reviewed more favorably. All standard application forms may be obtained as detailed in, Section IV.1, *Address to Request Application Package*, of this solicitation.

V. APPLICATION REVIEW INFORMATION

1. Criteria

This section fully describes the evaluation criteria for the funding opportunity for System Transformation grants for FY2006, to which this solicitation applies.

[3] The requirement that applicants have a DUNS number to apply for a grant or cooperative agreement from the Federal government went into effect beginning October 1, 2003.

In preparing applications, applicants are strongly encouraged to review the programmatic requirements detailed in, Section I, *Funding Opportunity Description*. The Project Narrative must be organized as detailed in, Section IV, *Application and Submission*, of this solicitation.

System Transformation Grants

The review process for this grant category has eight (8) sections. Section 1 and Section 8 are required and will be evaluated for each application. The maximum score for Section 1 and Section 8 is 260 points Sections 2 through 7 are the six (6) Transformation Goals listed and described in, Section I.C, *Requirements for the Systems Transformation Grants*. The applicant must address at least three (3) of those six (6) goals to comply with the solicitation requirements. **The total maximum** score that could be awarded, if the applicant chooses to address **all six (6) goals**, is **860 points**. The total possible score for a particular applicant, of course, is dependent on how many goals that applicant has chosen to address. Each goal has a maximum score of 100 points. Thus, for example, if you choose only three (3) goals your total maximum score will be 560 points. To render all applications comparable, your final score will be determined by dividing your actual score for a given application by your maximum possible score--giving a percentage as the result (for comparability with other applications).

Example for an application addressing three (3) transformation goals:

- The application is assessed a maximum score of 300 points for its three (3) transformation goals taken together.
- The application is assessed an additional maximum score of 260 points for the two required sections taken together. (i.e., System Readiness plus Process for Strategic Plan)
- The result is a maximum score for that application of 560 (300+260) points.
- After review, the application is awarded a total of 490 points by the review panel.
- This score of 490 is then divided by the maximum score for that application of 560.
- This awards the application a final score of 87.5 percent out of a possible maximum of 100 percent.

2. System Readiness Assessment (total maximum possible score = 200 points)

(a) Presentation Requirements (maximum 20 points)

- Answered all seventeen (17) assessment issues in narrative format using the following order and supported by documentation.

(b) Political and State Agency Leadership (maximum 20 points)

- Documented the level of support for system transformation from the various leaders in the state and described areas where consensus exists and is lacking among leaders. Included in the analysis the type and level of support specifically from the state governor, key legislative officials, budget director, State Medicaid Director, and other pertinent agency directors (Issue 1).

(c) Stakeholder Support and Mediation (maximum 20 points)

- Addressed the degree of interactive involvement and support of consumer/participant groups, provider associations, state government agencies, private organizations, and other pertinent entities. Areas of agreements and disagreements are noted. Provided an understanding of how the interactive discussion occurs. Described a mediation system if it exists, for resolving disputes, creating solutions, and implementing systems reform (Issue 2).

(d) Progress with System Reform (maximum 90 points)

- Documented progress towards the development of a shared vision for systems transformation and included a copy of the vision statement (Issue 3).
- Documented status of improving access to services, including any progress toward development of a one-stop shopping system (Issue 4).
- Documented status of consumer directed services for all funding streams (not just Medicaid) and the use of individual budgets (Issue 5).
- Documented status of developing and implementing a quality management system for long-term supports (Issue 6).
- Documented status of any development of information technology that would support transformation of the state's long-term support system (Issue 7).
- Documented status of rebalancing of funding efforts between institutions and community-based services during the past five years. The applicant specified the targeted populations and if there is a waiting list for the 1915(c) home and community-based wavier program, assuming the latter is applicable. (Issue 8).
- Documented status of joint initiatives between state housing and service agencies (Issue 9).
- Documented current level of progress, and remaining challenges to state interagency and intra-agency collaboration (Issue 10).
- Listed all RCSC grants awarded to date and documented the progress in, and barriers to achieving grant goals (Issue 11).
- Listed all other pertinent system reform grants awarded to date and documented progress in and barriers to achieving grant goals (Issue 12).
- Documented any other barriers that might delay system change efforts (Issue 13).
- Described how applicant will overcome any current barriers to being able to hire readily state and contractual staff to work on the grant (Issue 14).
- Documented any reductions or increases in Medicaid state plan options, home and community-based waivers, and in covered populations during the past five (5) years for individuals with disabilities in need of long-term supports (Issue 15).
- Documented the state's history and ability to implement components-to-scale (that is, ability to implement beyond a few pilot projects, with implementation statewide being the most extensive implementation.) (Issue 16).
- Documented any laws and/or regulations that have been implemented to further systems change efforts (Issue 17).

(e) Determination of Current Level of Transformation (maximum 50 points)
Identified appropriate level of transformation from the following three alternatives, and the narrative summary supports the level identified:

Advanced

- Reform has occurred across multiple agencies, multiple populations and with multiple reform components.
- There is a history of sustainability with state initiated reforms.
- Innovative ways to fund and advance system transformation have been implemented.

Mid-Range

- Reform has occurred across multiple agencies for multiple populations with only one reform component.
- The state has shown a commitment and progress towards sustainability.
- The state has found limited innovated ways to fund and advance system transformation

Preliminary

- In the state, reform has occurred solely in one agency for one or more populations.
- The system has not advanced due to barriers, such as funding not available.
- There has been a lack of commitment to sustainability, but the state is at the point where critical barriers can be resolved and steps toward system transformation can be accomplished

B. (Goal 1) Improved Access to Long-term Support Services: Development of One-Stop System (Total maximum possible score = 100 points)

(a) Rationale for why applicant chose to develop this goal (maximum 25 points)

- Articulated, based on the Systems Readiness Assessment, a need to develop an improved system for access to long-term care.
- Made a convincing case that their long-term system is ready for reform to improve access to long-term care
- Discussed the barriers that will be faced when implementing this system change.
- Discussed what assets the state has to help lead to a successful system change by meeting this goal.
- Clearly articulated how this goal is integrated with, and into, the other systems transformation goals that have been chosen by the applicant to address.

(b) Basic discussion of the preliminary strategies that applicant proposed to use to achieve each objective (maximum 25 points)

- Addressed each required objective with preliminary strategies for achieving this goal.
- Identified preliminary strategies that are reasonable and cogent based on the required objectives.

(c) Brief summary of what the applicant anticipates accomplishing at the end of the five-year grant period. This summary, in addition to a brief narrative, must include a preliminary

assessment of how the applicant anticipates measuring the required outcomes (maximum 25 points)

- Discussed a vision for how the system to access long-term care would appear at the end of the grant period that is realistic and has a good probability of success.
- Presented a rational methodology on how the state would measure outcomes to evaluate the level of transformation of its access to care system.

(d) Brief discussion defining the key stakeholders that will be necessary to achieve a foundation of support to accomplish this goal (maximum 25 points)

- Included how applicant proposes to develop a level of commitment on the part of the identified stakeholders, and acquire the buy-in needed to implement the objectives and strategies needed for success. These stakeholders include but are not limited to: leadership at all levels of the state; governor, legislature, agencies, and local government), consumers and advocacy groups.
- Provided a brief discussion on any organizational changes that will be considered in order to achieve stakeholder collaboration and cooperation that would lead to a successful system transformation.

C. (Goal 2) Increased Choice and Control: Development/Enhancement of Self-Directed Service System (Total maximum possible score = <u>100 points</u>)

(a) Rationale for why applicant chose to develop this goal (maximum 25 points)

- Articulated a need, based on the Systems Readiness Assessment, to develop or enhance a Self-Directed System.
- Made a convincing case that the state's long-term system is ready for development/enhancement of a Self-Directed System.
- Discussed the barriers that will be faced when implementing this system change.
- Discussed what assets the state has to help lead to a successful system change by meeting this goal.
- Clearly articulated how this goal is integrated with, and into, the other systems transformation goals that have been chosen by the applicant to address.

(b) Basic discussion of the preliminary strategies applicant proposes to use to achieve each objective identified/chosen for this goal (maximum 25 points)

- Addressed each required objective with preliminary strategies for achieving this goal.
- Presented preliminary strategies that are reasonable and cogent based on the required objectives.

(c) Brief summary of what the applicant anticipates accomplishing at the end of the five-year grant period. This summary, in addition to a brief narrative, must include a preliminary assessment of how the applicant anticipates measuring the required outcomes (maximum 25 points)

- Discussed a vision for how the Self-Directed System would appear at the end of the grant period that is realistic and has a good probability of success?
- Presented a rational methodology on how the state would measure outcomes to evaluate the level of transformation to a Self-Directed System.

(d) Brief discussion defining the key stakeholders that will be necessary to achieve a foundation of support to accomplish this goal (maximum 25 points)

- Included how applicant proposes to develop a level of commitment on the part of the identified stakeholders, and acquire the buy-in needed to implement the objectives and strategies needed for success. These stakeholders include but are not limited to: leadership at all levels of the state; governor, legislature, agencies, and local government), consumers and advocacy groups.
- Provided a brief discussion on any organizational changes that will be considered in order to achieve stakeholder collaboration and cooperation that would lead to a successful system transformation.

D. (Goal 3) Development or Enhancement of Comprehensive Quality Management Systems (Total maximum possible score = <u>100 points</u>)

(a) Rationale for why applicant chose to develop this goal (maximum 25 points)

- Articulated a need, based on the Systems Readiness Assessment, to develop or enhance Comprehensive Quality Management Systems.
- Made a convincing case that the state's long-term system is ready for development/enhancement of Comprehensive Quality Management Systems.
- Discussed the barriers that will be faced when implementing this system change.
- Discussed what assets the state has to help lead to a successful system change by meeting this goal.
- Clearly articulated how this goal is integrated with, and into, the other systems transformation goals that have been chosen by the applicant to address.

(b) Basic discussion of the preliminary strategies the applicant proposed to use to achieve each objective (maximum 25 points)

- Addressed each required objective with preliminary strategies for achieving this goal.
- Presented preliminary strategies that are reasonable and cogent based on the required objectives.

(c) Brief summary of what the applicant anticipates accomplishing at the end of the five-year grant period. This summary, in addition to a brief narrative, must include a preliminary assessment of how the applicant anticipates measuring the required outcomes (maximum 25 points)

- Discussed a vision for how applicant's Comprehensive Quality Management Systems would appear at the end of the grant period that is realistic and has a good probability of success.
- Presented a rational methodology on how the state would measure outcomes to evaluate the level of transformation for Comprehensive Quality Management Systems.

(d) Brief discussion defining the key stakeholders that will be necessary to achieve a foundation of support to accomplish this goal (maximum 25 points)

- Included how applicant proposes to develop a level of commitment on the part of the identified stakeholders, and acquire the buy-in needed to implement the objectives and

strategies for success. These stakeholders include but are not limited to: leadership at all levels of the state; governor, legislature, agencies, and local government), consumers and advocacy groups.
- Provided a brief discussion of any organizational changes that will be considered in order to achieve stakeholder collaboration and cooperation that would lead to a successful system transformation.

E. (Goal 4) Transformation of Information Technology to Support Systems Change (Total maximum possible score = 100 points)

(a) Rationale for why applicant chose to develop this goal (maximum 25 points)
- Articulated a need, based on the Systems Readiness Assessment, to develop or enhance IT Systems in support of home and community-based Services.
- Made a convincing case that state's long-term care system is ready for development/enhancement of IT to support systems change.
- Discussed the barriers that will be faced when implementing this system change.
- Discussed what assets the state has to help lead to a successful system change by meeting this goal.
- Clearly articulated how this goal is integrated with, and into, the other systems transformation goals that have been chosen by the applicant to address.

(b) Basic discussion of the preliminary strategies that the applicant proposed to use to achieve each objective (maximum 25 points)
- Addressed each required objective with preliminary strategies for achieving this goal.
- Presented preliminary strategies that are reasonable and cogent based on the required objectives.

(c) Brief summary of what the applicant anticipates accomplishing at the end of the five-year grant period. This summary, in addition to a brief narrative, must include a preliminary assessment of how the applicant anticipates measuring the required outcomes (maximum 25 points)
- Discussed a vision for how their IT to support systems change will appear at the end of the grant period that is realistic and has a good probability of success.
- Presented a rational methodology on how the state would measure outcomes to evaluate the needed level of IT to support systems change.

(d) Brief discussion defining the key stakeholders that will be necessary to achieve a foundation of support to accomplish this goal (maximum 25 points)
- Included how applicant proposes to develop a level of commitment on the part of the identified stakeholders, and acquire the buy-in needed to implement the objectives and strategies for success. These stakeholders include but are not limited to: leadership at all levels of the state: governor, legislature, agencies, and local government), consumers and advocacy groups.
- Provided a brief discussion on any organizational changes that will be considered in order to achieve stakeholder collaboration and cooperation that would lead to a successful system transformation.

F. (Goal 5) Creation of a System that More effectively Manages the Funding for Long-term Supports that Promote Community Living Options (Total maximum possible score = 100 points)

(a) Rationale for why applicant chose to develop this goal (maximum 25 points)

- Articulated a need, based on the Systems Readiness Assessment, to develop or enhance a system that more effectively manages the funding resources for long-term supports.
- Made a convincing case that the state's long-term care system is ready for development/enhancement of a system that more effectively manages the funding resources for long-term supports.
- Discussed the barriers that will be faced when implementing this system change.
- Discussed what assets the state has to help lead to a successful system change by meeting this goal.
- Clearly articulated how this goal is integrated with, and into, the other systems transformation goals that have been chosen by the applicant to address.

(b) Basic discussion of the preliminary strategies the applicant proposes to use to achieve each objective (maximum 25 points)

- Addressed each required objective with preliminary strategies for achieving this goal.
- Presented preliminary strategies that are reasonable and cogent based on the required objectives.

(c) Brief summary of what the applicant anticipates accomplishing at the end of the five-year grant period. This summary, in addition to a brief narrative, must include a preliminary assessment of how the applicant anticipates measuring the required outcomes (maximum 25 points)

- Discussed a vision for how applicant's system would more effectively manage the funding resources for long-term supports, and appear at the end of the grant period, that is realistic and has a good probability of success.
- Presented a rational methodology on how the state would measure outcomes to evaluate the level of transformation to a system that more effectively manages the funding resources for long-term supports.

(d) Brief discussion defining the key stakeholders that will be necessary to achieve a foundation of support to accomplish this goal (maximum 25 points)

- Included how the applicant proposes to develop a level of commitment on the part of the identified stakeholders, and acquire the buy-in needed to implement the objectives and strategies for success. These stakeholders include but are not limited to: leadership at all levels of the state: governor, legislature, agencies, and local government), consumers and advocacy groups.
- Provided a brief discussion on any organizational changes that will be considered in order to achieve stakeholder collaboration and cooperation that would lead to a successful system transformation.

G. (Goal 6) Long-term Supports Coordinated with Affordable and Accessible Housing (Total maximum possible score = <u>100 points</u>)

(a) Rationale for why applicant chose to develop this goal (maximum 25 points)

- Based on the Systems Readiness Assessment, applicant has articulated a need to develop or enhance long-term supports coordinated with affordable and accessible housing.
- Made a convincing case that the state's long-term system is ready for development or enhancement of long-term supports coordinated with affordable and accessible housing.
- Discussed the barriers that will be faced when implementing this system change.
- Discussed what assets the state has to help lead to a successful system change by meeting this goal.
- Clearly articulated how this goal is integrated with, and into, the other systems transformation goals that have been chosen by the applicant to address.

(b) Basic discussion of the preliminary strategies that the applicant proposes to use to achieve each objective (maximum 25 points)

- Addressed each required objective with preliminary strategies for achieving this goal.
- Presented preliminary strategies that are reasonable and cogent based on the required objectives.

(c) Brief summary of what the applicant anticipates accomplishing at the end of the five-year grant period. This summary, in addition to a brief narrative, must include a preliminary assessment of how the applicant anticipates measuring the required outcomes (maximum 25 points)

- Discussed a vision for how the state's system of long-term supports coordinated with affordable and accessible housing would appear at the end of the grant period that is realistic and has a good probability of success.
- Presented a rational methodology on how the state would measure outcomes to evaluate the level of transformation to a system that developed or enhanced this goal.

(d) Brief discussion defining the key stakeholders that will be necessary to achieve a foundation of support to accomplish this goal (maximum 25 points)

- Included how applicant proposes to develop a level of commitment on the part of the identified stakeholders, and acquire the buy-in needed to implement the objectives and strategies for success. These stakeholders include but are not limited to leadership at all levels of the state: governor, legislature, agencies, and local government), consumers and advocacy groups.
- Provided a brief discussion on any organizational changes that will be considered in order to achieve stakeholder collaboration and cooperation that would lead to a successful system transformation.

H. Process for Developing the Strategic Plan for System Transformation (Total maximum possible score = <u>60 points</u>)

(a) Explanation of the process the applicant will use in developing the plan (maximum 30 points)

- Identified who will have the responsibility for producing the plan.
- Have a contractor commitment, if they are contracting for the development of the plan.

- Identified the agency/department/division that will be producing the final product in house.
- Identified any organizational structures that will be created to enable the plan to be comprehensive.

(b) Explanation of applicant will involve agency executives, legislators, as well as advocacy groups in the development of the plan (maximum 10 points)

(c) Explanation of how applicant will involve consumers that will be directly affected by the selected system transformation goals in the development of applicant's strategic plan (maximum 10 points)

(d) Explanation of how applicant will accomplish formative learning (maximum 10 points)

- Presented methods of information gathering, analysis, and evaluation that are feasible and relevant to the goals, objectives, and measurable outcomes of the proposed project and the extent to which the applicant is likely to gain timely insight into (1) systems change strategies that work and (2) the types of activities that have the most impact.
- Included incorporation of feedback from the project into ongoing operations.

3. Review and Selection Process

How the Merit of Applications Will Be Determined:

CMS will employ a multiphase review process to determine the applications that will be reviewed and the merit of the applications that are reviewed. The multiphase review process includes the following:

1. Applications will be screened by Federal staff to determine eligibility for further review using the criteria detailed in the "Eligibility Information" section of this solicitation. Applications that that are received late or fail to meet the eligibility requirements as detailed in the "Applicant Eligibility" section of this solicitation will not be reviewed.
2. Applications will be objectively reviewed by a panel of experts, the exact number and composition of which will be determined by CMS at its discretion, but may include private sector subject matter experts, beneficiaries of Medicaid supports, and Federal and state policy staff. The review panels will utilize the objective criteria described in the "Application Review Criteria Information" section of this solicitation to establish an overall numeric score for each application.
3. The results of the objective review of applications will be used to advise the approving CMS official. Additionally, CMS staff will make final recommendations to the approving official after ranking applications using the scores and comments from the review panel and weighing other factors as described in the "Factors Other than Merit that May be Used in Selecting Applications for Award" section of this solicitation.

4. Anticipated Announcement and Award Dates

Grant Awards: Time frame
All grant awards will be made prior to September 30, 2006, and will have a start date on or before September 30, 2006. All grants will have a timeframe of 60 months.

VI. AWARD ADMINISTRATION INFORMATION

Factors Other than Merit that May be Used in Selecting Applications for Award
CMS may assure reasonable balance among the grants to be awarded in a particular category in terms of key factors such as geographic distribution and broad target group representation. Also CMS may issue System Transformation grant awards based on the identified Level of Transformation distribution.

CMS may redistribute grant funds (as detailed in the "Award Information" section of this solicitation) based upon the number and quality of applications received for each grant opportunity (e.g., to adjust the minimum or maximum awards permitted or adjust the aggregate amount of Federal funds allotted to a particular category of grants).

CMS will not fund activities that are duplicative of efforts funded through its grant programs or other Federal resources. For applicants that have been awarded previous Real Choice Systems Change Grants, past programmatic performance will be considered in selecting applications for award. To assess the applicant's past programmatic performance, CMS will use program evaluation of semi-annual, annual, and financial reports submitted by the applicant under the Terms and Conditions of their previously awarded Real Choice Systems Change Grant. For applicants that have never received a Real Choice Systems Change Grant, past programmatic performance will not be a consideration in selecting applications for award.

1. Award Notices

Successful applicants will receive a Notice of Grant Award (NGA) signed and dated by the CMS Grants Management Officer. The NGA is the document authorizing the grant award and will be sent through the U.S. Postal Service to the applicant organization as listed on its SF 424. Any communication between CMS and applicants prior to issuance of the NGA is not an authorization to begin performance of a project.

Unsuccessful applicants will be notified by letter, sent through the U.S. Postal Service to the applicant organization as listed on its SF 424, after October 1, 2006.

2. Administrative and National Policy Requirements

Usual Requirements

1. Specific administrative and policy requirements of grantees as outlined in 45 CFR 74 and 45 CFR 92 apply to this grant opportunity.

2. All grantees receiving awards under these grant programs must meet the requirements of:
    - Title VI of the Civil Rights Act of 1964,
    - Section 504 of the Rehabilitation Act of 1973,
    - The Age Discrimination Act of 1975,
    - Hill-Burton Community Service nondiscrimination provisions, and
    - Title II Subtitle A of the Americans with Disabilities Act of 1990.
3. All equipment, staff, and other budgeted resources and expenses must be used exclusively for the projects identified in the grantee's original grant application or agreed upon subsequently with CMS, and may not be used for any prohibited uses.
4. Consumers and other stakeholders must have meaningful input into the planning, implementation, and evaluation of the project. CMS expects all grant budgets to include some funding to facilitate participation on the part of individuals who have a disability or long-term illness and their families.
5. State grantees must coordinate their project activities with other state, local and federal agencies that serve the population targeted by their application (e.g., Administration for Children and Families, Administration for Developmental Disabilities, Administration on Aging, Department of Education, etc.). CMS also encourages collaboration with a broad range of public and private organizations whose primary purpose is advocating for consumers or older adults, volunteer groups, employers, faith-based service providers, private philanthropic organizations, and other community-based organizations.
6. All grantees will be required to attend one meeting per year, the CMS Annual New Freedom Initiative Conference, in the Washington, DC or the Baltimore, MD area.
7. All successful applicants for Systems Transformation grants must also include funding to attend the mandatory Planning Phase Exit Conference in Baltimore, Maryland.

Terms and Conditions

A funding opportunity award with CMS will include standard terms and conditions and may also include additional specific grant "special" terms and conditions. Potential applicants should be aware that special requirements could apply to grant awards based on the particular circumstances of the effort to be supported and/or deficiencies identified in the application by the review panel or CMS.

3. Reporting

Grantees must agree to cooperate with any Federal evaluation of the program and provide semi-annual (every 6 months) and final (at the end of the grant period) reports in a form prescribed by CMS (including the SF 269a "Financial Status Report" forms). Reports may be submitted electronically. These reports will outline how grant funds were used, describe program progress, and describe any barriers and measurable outcomes. CMS will provide a format for reporting and technical assistance necessary to complete required report forms. Grantees must also agree to respond to requests that are necessary for the evaluation of the national RCSC grants' efforts and provide data on key elements of their own grant activities.

VII. AGENCY CONTACTS

A. Programmatic Content

Programmatic questions about the RCSC grants may be directed to an e-mail address that multiple people access, so that someone will respond even if others are unexpectedly absent during critical periods. This e-mail address is: *RealChoiceFY06@cms.hhs.gov*.

In addition , inquiries may be directed to Cathy Cope, Centers for Medicare & Medicaid Services, Center for Medicaid and State Operations, DEHPG/DCSI, Mail Stop S2-14-26, 7500 Security Boulevard, Baltimore, MD 21244-1850, 410-786-8287 (voice), or 410-786-9004 (fax) or to Ron Hendler, Centers for Medicare & Medicaid Services, Center for Medicaid and State Operations, DEHPG/DCSI, Mail Stop S2-14-26, 7500 Security Boulevard, Baltimore, MD 21244-1850, 410-786-2267 (voice), or 410-786-9004 (fax).

B. Administrative Questions

Administrative questions about the RCSC grants may be directed to Nicole Nicholson, Centers for Medicare & Medicaid Services, Office of Operations Management, Acquisition and Grants Group, C2-21-15 Central Building, 7500 Security Boulevard, Baltimore, MD 21244-1850, (410) 786-5158 (voice), 410-786-9088 (fax), or by e-mail at Nicole.Nicholson@cms.hhs.gov.

VIII. Other Information

Applicant's Teleconference

Information regarding the date, time and call-in number for an open applicants' teleconference is available on the CMS website at http://www.cms.hhs.gov/NewFreedomInitiative/. Please check the CMS Web site for more details.

ATTACHMENT 1

Notice of Intent to Apply

Submission by Facsimile referred
Fax: 410-786-9004

Please complete and return, by May 11**, 2006**, to:

Sona Stepp
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244-1850
Phone: 410-786-6815, Fax: 410-786-9004

1. **Name of State:** _____
2. **Applicant Agency/Organization:** _____

3. **Contact Name and Title**: _____
4. **Address:**_____
5. **Phone:** _____ **Fax:** _____
6. **E-mail address:** _____

ATTACHMENT 2

Prohibited Uses of Grant Funds

Real Choice Systems Change Grants for FY 2006 funds may not be used for any of the following:

1. To provide direct services to individuals except as explicitly permitted under each grant solicitation. Direct services do not include expenses budgeted for consumer task force member participation in Real Choice Systems Change for Community Living Conferences or for project staff to attend Technical Assistance Conferences sponsored by CMS or its national technical assistance provider.
2. To match any other Federal funds.
3. To provide services, equipment, or supports that are the legal responsibility of another party under Federal or state law (e.g., vocational rehabilitation or education services) or under any civil rights laws. Such legal responsibilities include, but are not limited to, modifications of a workplace or other reasonable accommodations that are a specific obligation of the employer or other party.
4. To provide infrastructure for which Federal Medicaid matching funds are available at the 90/10 matching rate, such as certain information systems projects.
5. To supplant existing state, local, or private funding of infrastructure or services such as staff salaries, etc.
6. To be used for expenses that will not primarily benefit individuals of any age who have a disability or long-term illness.
7. To be used for ongoing administrative expenses related to Medicaid services unless such administration is part of a well-defined test of alternate and improved methods focused specifically on personal assistance services that maximize consumer control.
8. To be used for data processing software or hardware in excess of the personal computers required for staff devoted to the grant.

ATTACHMENT 3

SYSTEMS TRANSFORMATION GRANT
APPLICATION CHECK-OFF COVER SHEET

Identifying Information

DUNS #:
State Agency:
Primary Contact Person:

Current Level of Transformation (check applicable level)

☐ Advanced
☐ Mid-range
☐ Preliminary

Transformation Goals (check as many as are applicable)

☐ Improved Access to Long-term Support Services
☐ Self Directed Services
☐ Quality Management and Improvement System
☐ Information Technology to Support Systems Change
☐ Financing Reform
☐ Long-term Supports Coordinated with Affordable and Accessible Housing

----------For Administrative Purposes Only ----------

Completeness check:
Panel Assignment:
Primary Panel Reviewer:
